BILL NO. S-81-01-20

SPECIAL ORDINANCE NO. S-37-81

AN ORDINANCE authorizing the City of Fort Wayne to issue its "Industrial Development Revenue Bonds, Series 1981, E. David & Evelyn Freeman, Lynn & Carol J. Klopfenstein, Phyllis A. & William J. Rudolph, Eleanor W. Hall, Charles W. & Bette L. Harris, Arnold L. Conrad, and W. Ronald & Joan Phillips, and approving other actions in respect thereto.

WHEREAS, the Fort Wayne Economic Development Commission has rendered its Project Report for the Covington Creek Professional Village Project regarding the financing of proposed economic development facilities for E. David & Evelyn Freeman, Lynn & Carol J. Klopfenstein, Phyllis A. & William J. Rudolph, Eleanor W. Hall, Charles W. & Bette L. Harris, Arnold L. Conrad, and W. Ronald & Joan Phillips, Purchasers of the facilities, and the Planning Commission has commented favorably thereon; and

WHEREAS, the Fort Wayne Economic Development Commission conducted a public hearing on January 22, 1980 and January 26, 1981, and also adopted a Resolution on January 26, 1981, which Resolution has been transmitted hereto, finding that the financing of certain economic development facilities of the Purchasers listed above complies with the purposes and provisions of I.C. 18-6-4.5 and that such financing will be of benefit to the health and welfare of the City of Fort Wayne and its citizens; and

WHEREAS, the Fort Wayne Economic Development Commission has heretofore approved and recommended the adoption of this form of Ordinance by this Common Council and has approved the forms of and has transmitted for approval by the Common Council the Loan Agreement, Bond Ordinance, Assignment of Loan Agreement, Mortgage, Offer to Purchase, Inducement Letter, Assignment of Rents and Leases and other matters relating thereto;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA, THAT:

SECTION 1. It is hereby found that the financing of the economic development facilities referred to in the Loan Agreements approved by the Fort Wayne Economic Development Commission and presented to this Common Council,

the issuance and sale of revenue bonds, the loan of the proceeds of the revenue bonds to the Purchasers of the facilities as listed above for the acquisition and construction of such facilities and the equipping thereof, the payment of the revenue bonds by the bond payments of the Purchasers of the facilities as listed above under the Loan Agreement and Bond, and the securing of said bonds by the mortgaging of such facilities by the Purchasers of the facilities to the Lender under the Mortgage complies with the purposes and provisions of I.C. 18-6-4.5 and will be of benefit to the health and welfare of the City of Fort Wayne and its citizens.

SECTION 2. The final forms of the Loan Agreement, Bond Ordinance, Assignment of Loan Agreement, Mortgage, Offer to Purchase, Inducement Letter, Assignment of Rents and Leases and other related documentation approved by the Fort Wayne Economic Development Commission are hereby approved and all such documents (herein collectively referred to as the "Financing Agreement" referred to in I.C. 18-6-4.5) shall be incorporated herein by reference and shall be inserted in the minutes of the Common Council and kept on file by the Clerk.

SECTION 3. The City of Fort Wayne shall issue its Industrial Development Revenue Bonds, Series 1981 (E. David & Evelyn Freeman, Lynn & Carol J. Klopfenstein, Phyllis A. & William J. Rudolph, Eleanor W. Hall, Charles W. & Bette L. Harris, Arnold L. Conrad, and W. Ronald & Joan Phillips) in the total principal amount of $373,400, for the purpose of procuring funds to pay the costs of acquisition, construction and equipping of the economic development facilities as more particularly set out in the Mortgage and Loan Agreement incorporated herein by reference which bonds will be payable as to principal, premium, if any, and interest from the note payments made by the Purchasers of the facilities under the Loan Agreement and Bond or as otherwise provided in the above described Mortgage and related documents. The bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City of Fort Wayne.

SECTION 4. The Mayor, Clerk and/or Controller are authorized and directed to sell such bonds to the purchasers thereof at a non-default rate of interest per annum on the bonds not to exceed 12% per annum.

SECTION 5. The Mayor and Clerk are authorized and directed to execute the documents constituting the Financing Agreement herein on behalf of the City and any other document which may be necessary or desirable to consummate the transaction, including the bonds authorized herein. The signatures of the Mayor and Clerk on the bonds may be facsimile signature. The Clerk is authorized to arrange for delivery of such bonds to the Purchaser of the bonds, payment for which will be made to said Purchaser named in the Mortgage and Loan Agreement.

SECTION 6. The provisions of this Ordinance and Loan Agreement and Mortgage securing the bonds shall constitute a contract binding between the City of Fort Wayne and the holder of the Industrial Development Revenue Bonds, Series 1981 (E. David & Evelyn Freeman, Lynn & Carol J. Klopfenstein, Phyllis A. & William J. Rudolph, Eleanor W. Hall, Charles W. & Bette L. Harris, Arnold L. Conrad, and W. Ronald & Joan Phillips), and after the issuance of said bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as any of said bonds or the interest thereon remains unpaid.

SECTION 7. This Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

Vivian G. Schmidt
COUNCILMAN

APPROVED AS TO FORM AND
LEGALITY 1/26/, 1981.

J. E. Hoffman
JOHN E. HOFFMAN, CITY ATTORNEY

Read the first time in full and on motion by V. Schmidt, seconded by Gia Quinta, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on _____, the _____ day of _____, 19__, at _____ o'clock ___ M.,E.S.T.

DATE: 1-27-81

Charles W. Westerman
CHARLES W. WESTERMAN
CITY CLERK

Read the third time in full and on motion by V. Schmidt, seconded by Stier, and duly adopted, placed on its passage. PASSED ~~(LOST)~~ by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT	TO-WIT:
TOTAL VOTES	9				
BURNS	✓				
EISBART	✓				
GiaQUINTA	✓				
NUCKOLS	✓				
SCHMIDT, D.	✓				
SCHMIDT, V.	✓				
SCHOMBURG	✓				
STIER	✓				
TALARICO	✓				

DATE: 2-17-81

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as ~~(ZONING MAP)~~ ~~(GENERAL)~~ ~~(ANNEXATION)~~ (SPECIAL) (~~APPROPRIATION~~) ORDINANCE (~~RESOLUTION~~) No. S-37-81 on the 17th day of February, 19 81.

ATTEST: (SEAL)

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

John Nuckols
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 18th day of February, 19 81, at the hour of 11:00 o'clock A M.,E.S.T.

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this 19th day of Feb. 19 81, at the hour of 3 o'clock P M.,E.S.T.

WINFIELD C. MOSES, JR.
MAYOR

BILL NO. S-81-01-20

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON Finance TO WHOM WAS REFERRED AN ORDINANCE authorizing the City of Fort Wayne to issue its "Industrial Development Revenue Bonds, Series 1981, E. David & Evelyn Freeman, Lynn & Carol J. Klopfenstein, Phyllis A. & William J. Rudolph, Eleanor W. Hall, Charles W. & Bette L. Harris, Arnold L. Conrad, and W. Ronald & Joan Phillips, and approving other actions in respect thereto

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE DO PASS.

VIVIAN G. SCHMIDT, CHAIRMAN — Vivian G. Schmidt

JAMES S. STIER, VICE CHAIRMAN

MARK E. GiaQUINTA

PAUL M. BURNS — Paul M. Burns

ROY J. SCHOMBURG — Roy J. Schomburg

CONCURRED IN

DATE 2/17/81 CHARLES W. WESTERMAN, CITY CLERK

REPORT OF FORT WAYNE ECONOMIC
DEVELOPMENT COMMISSION REGARDING
FACILITIES TO BE CONSTRUCTED BY
REALAMERICA HOMES, INC.

Having been furnished certain data by Realamerica Homes, Inc. pertaining to the purchasers of units located at Covington Creek Professional Village and having had discussions with representatives of said purchasers, the Fort Wayne Economic Development Commission now submits the following report pursuant to Section 16, Public Law No. 182, Indiana Acts of 1973:

Description of Proposed Facilities

The proposed facilities will be used as office buildings, located at 3202, 3218, 3226, 3250, 3266, 3310 and 3342 Mallard Cove Lane, Fort Wayne, Indiana.

Estimate of Public Services Required

All public services which are required now exist in the vicinity of the property. Water and sanitary sewage facilities are located in that area. Water and sanitary sewage service will be available upon paying the required connection charges.

Total Project Cost

The project costs are estimated to be $373,400 for permanent financing for these facilities at Covington Creek Professional Village.

Number of Jobs and Estimated Payroll

It is anticipated that there will be approximately 20 new jobs created by this Project resulting in a payroll increase of $306,000 annually.

Effect on Pollution

There will be no adverse environmental impact anticipated by reason of the operation of the proposed project, with particular reference to air, noise or water pollution.

Additional School Facilities Required

The facilities located at 3218, 3226, 3250, 3266, 3202, 3310 and 3342 Mallard Cove Lane are within the Southwest Allen County School District.

Dated this 26 day of January, 1981.

Wayne P. Simerman

Sidney Sheray

Don Fisher

Louis R. Dinwiddie

Jack Gren

RESOLUTION

FORT WAYNE ECONOMIC DEVELOPMENT
COMMISSION, FORT WAYNE, INDIANA

RE: E. DAVID & EVELYN FREEMAN, LYNN & CAROL J. KLOPFENSTEIN, PHYLLIS A. & WILLIAM J. RUDOLPH, ELEANOR W. HALL, CHARLES W. & BETTE L. HARRIS, ARNOLD L. CONRAD, AND W. RONALD & JOAN PHILLIPS; PURCHASERS OF THE PROJECT.

BE IT RESOLVED BY THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION THAT:

Section 1. It finds that the proposed financing of economic development facilities presented to this meeting for the Covington Creek Professional Village project and the above referenced Purchasers complies with the purposes and provisions of I.C. 18-6-4.5 and will be of benefit to the health and welfare of the City of Fort Wayne and its citizens.

Section 2. The final forms of Loan Agreement, Bond Ordinance, Assignment of Loan Agreement, Mortgage, Offer to Purchase, Inducement Letter, Assignment of Rents and Leases and other related documentation, and a proposed form of Ordinance for the Common Council presented to this meeting are hereby approved.

Section 3. The proposed economic development facilities will not have an adverse competitive effect on any similar facilities already under construction or in operation in the City of Fort Wayne, Indiana.

Section 4. A copy of this Resolution shall be presented to the Common Council.

Adopted this 26 day of January, 1981.

FORT WAYNE ECONOMIC
DEVELOPMENT COMMISSION

By: _____
President

_____
Secretary

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE Special Ordinance S-81-01-20

DEPARTMENT REQUESTING ORDINANCE Economic Development Commission

SYNOPSIS OF ORDINANCE An ordinance authorizing the City of Fort Wayne, Indiana to issue its "Industrial Development Revenue Bonds, Series 1981, E. David & Evelyn Freeman, Lynn & Carol J. Klopfenstein, Phyllis A. & William J. Rudolph, Eleanor W. Hall, Charles W. & Bette L. Harris, Arnold L. Conrad, and W. Ronald & Joan Phillips, and approval of other actions in respect thereto.

EFFECT OF PASSAGE Permanent financing of facilities.

EFFECT OF NON-PASSAGE None of the above.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) None.

ASSIGNED TO COMMITTEE (PRESIDENT) _____

Jenkins

AMERICAN FEDERAL
SAVINGS and LOAN

SOUTH OFFICE
Clinton at Rudisill
Across from Sears
Phone 744-2123

MAIN OFFICE
Route #27 North Across from Glenbrook Fort Wayne, Indiana 46805
Phone 484-3152

NEWHAVEN
330 Lincoln Highway West
New Haven, Indiana
Phone 749-5187

December 24, 1980

COMMITMENT TO PURCHASE CITY OF FORT WAYNE, INDIANA INDUSTRIAL DEVELOPMENT REVENUE BOND

NAME E. David Freeman and Evelyn B. Freeman
ADDRESS 3208 Grandview Drive
PROPERTY: Lot 1 in Covington Creek Professional Village, a Subdivision in Allen County, Indiana, with one completed office building thereon

American Federal Savings and Loan Association of Fort Wayne (hereinafter called "Association") is pleased to inform you that, subject to the terms and conditions herein, it has approved your application for the purchase by Association of an Industrial Development Revenue Bond (hereinafter called "Bond") which will be issued and sold by the City of Fort Wayne, Indiana to finance your purchase of the above-described property (hereinafter called "property").

In consideration of the payment to Association of the fee herein required, Association agrees to purchase said Bond upon and subject to the following terms and conditions:

1. Each and all of the terms and conditions herein shall be applicable to the Bond which Association is obligated to purchase hereunder. It is further agreed that the satisfaction, performance and observance of all of such terms and conditions is a condition precedent to Association's obligation to purchase such Bond.

2. The principal amount, rate of interest, repayment terms and prepayment terms of the Bond shall be as follows:

(a) The principal amount of the Bond shall be $ 66,700.00 .

FEDERAL HOME LOAN BANK SYSTEM FSLIC

(b) The interest payable under the Bond shall be payable at the rate of 12 % per annum. However, if the interest on the Bond should become subject to federal income taxation pursuant to an "Official Determination", then the interest rate payable on the Bond will be immediately increased to 17 7/8 % per annum.

(c) The Bond shall provide that the principal amount thereof together with interest thereon shall be payable to holder thereof in equal monthly installments of principal and interest in the amount of $ 702.52 per month commencing on the 1st day of the month immediately following the month in which Association purchases the Bond and continuing on the 1st day of each and every calendar month thereafter until 10 calendar years from the date of the Bond at which time the entire unpaid principal amount of the Bond and all unpaid accrued interest thereon shall be due and payable in full.

(d) The Bond shall provide that in the event any prepayment is made thereon, there shall be payable to the holder of the Bond prepayment penalties as follows:

(i) 2% of the amount of any prepayment made during the first year of the Bond; and

(ii) 1% of the amount of any prepayment made during the second, third and fourth years of the Bond.

There shall not be any prepayment penalties whatsoever for any prepayments made on the Bond in the fifth and subsequent years after the date of Association's purchase of the Bond.

3. Prior to or by the time of Association's purchase of the Bond, you shall have paid to Association, in consideration for Association's issuance of this commitment and its purchase of the Bond, a nonrefundable fee equal to the sum of $115.00 plus 2% of the principal amount of the Bond. Said fee is not compensation for services to be performed by Association in disbursing the sales proceeds of the Bond nor compensation to Association for any other services which it may perform incidental to its purchase of the Bond, but is payable to Association solely in consideration for its issuance of this commitment and its purchase of the Bond which fee is fully earned by Association upon its purchase of the Bond.

By the time of Association's purchase of the Bond, you shall also have paid all costs, expenses and charges for: the credit report on you; the required appraisal, survey, and abstract of title including recertification thereof, on the property; the attorney's fees incurred by Association; and recording fees. The amount payable by you for the said attorney's fees incurred by Association and the said recording fees shall be $700.00 and $89.50, respectively. If Association's purchase of the Bond is not completed due to your failure or refusal to conclude the transaction, then you shall pay on demand to Association all of said costs, expenses and charges which have been incurred or paid by Association.

The aforesaid costs, expenses and charges are payable to the Association for services rendered in the closing of the Bond purchase and the Association is not obligated to pay any additional costs in conjunction with said closing.

The aforesaid fee payable to Association and also all of the said costs, expenses and charges described in this Paragraph Number 3 herein shall be paid directly by you from your own funds and no part thereof shall be paid from or by the monies payable by Association for its purchase of the Bond.

4. Only a single Bond shall be issued and such Bond shall have been issued for the sole and exclusive purpose of financing your purchase of the property. The office building so financed shall be located wholly within the boundaries of the aforesaid lot and shall be the only office building on such lot.

5. Prior to or by the time of Association's purchase of the Bond there shall have been delivered to Association an unqualified wtitten legal opinion of Kutak, Rock & Huie (hereinafter called the "Bond Counsel") that the interest payable under such Bond is, at the time of Association's purchase thereof, not subject to the payment of federal income taxes thereon. Such opinion shall in all respects be acceptable to Association's legal counsel.

6. Prior to or by the time of Association's purchase of the Bond the following documents shall have been duly executed and delivered:

(a) Loan Agreement between the City of Fort Wayne, Indiana (hereinafter called "City") and you providing, among other things, that City shall loan to you the proceeds from

the sale of the Bond to finance your acquisition of the property and providing that you shall make payments in repayment of such loan in such amounts and at such times as are required under the terms of the Bond for the payment of the principal, interest and other indebtedness under the Bond.

(b) Assignment by City to Association of all of City's rights and interests under the Loan Agreement.

(c) Mortgage by you to Association of the property. Also, Assignment by you to Association of all existing and future leases and rents pertaining to such property. Both such Mortgage and Assignment shall secure the payment of the Bond and also all of your obligations and covenants under the Loan Agreement. The Mortgage shall be the sole and exclusive first lien on the property and the Assignment shall be the first lien on the leases and rents assigned thereby.

(d) Subordination Agreement executed by all lessees, tenants and other occupants of the property by which they unconditionally subordinate all of their rights and interests in said property to the Mortgage and to all rights, interests and powers of Association under such Mortgage.

(e) All other agreements, certifications, affidavits and other instruments as may be required by Association's legal counsel and/or Bond Counsel, including, but not limited to, an affidavit of your legal counsel certifying that you have duly executed and delivered the Loan Agreement, Mortgage, and Assignment of Leases and Rents.

Said Bond, Loan Agreement, Assignment of Loan Agreement, Mortgage, Assignment of Leases and Rents, Subordination Agreement and all instruments referred to in Paragraph 6 (e) above shall be upon such terms and be in such form as Association's legal counsel and/or Bond Counsel may require and each shall in all respects be subject to the approval of Association's said counsel.

7. The Bond shall have been duly authorized, executed, and issued and sold by the City in strict accordance with all applicable state, local and federal laws, including specifically Indiana Code 18-6-4.5-1, et seq, which governs the financing of economic development facilities.

8. The approval by Association's legal counsel of all legal matters incident to the issuance and purchase of the Bond and the delivery of the collateral therefor. Also, all requirements which may reasonably be made by Association's said counsel, including, but not limited to, requirements pertaining to title to the property and the perfection of the Mortgage as the sole first lien thereon, shall have been satisfied.

9. The construction of the office building on the aforesaid lot shall have been 100% completed prior to Association's purchase of the Bond. All utilities shall have been connected to the office building and all hookup and connection fees and charges, including area charges, shall have been paid in full. You shall have furnished to Association such evidence as Association may require establishing that you have paid in full to Realamerica Homes, Inc. the entire amount of the purchase price for the property in excess of the principal amount of the Bond.

10. By the time of Association's purchase of the Bond, Ralamerica Homes, Inc. shall have executed and delivered to Association its duly executed affidavit by which it acknowledges that you have paid in full to it the entire amount of the purchase price and all other monies payable to it by you for or in connection with your purchase of the property. Realamerica shall further certify to Association in said affidavit that:

(a) it has completed construction of the office building in accordance with the terms of its sales contract with you and also in accordance with all applicable building codes, zoning ordinances, statutes, regulations, administrative orders, deed and plat restrictions;

(b) it has paid in full to each and every employee, laborer, contractor, subcontractor, supplier and other persons all monies owed to or claimed by such persons for labor or services performed and for materials, supplies and equipment furnished or delivered by them in connection with the construction of the office building; and

(c) no person has any right to file or claim a mechanic's lien against the property.

11. You shall not, without first having obtained Association's prior written consent thereto, lease, rent or sublet more than 50% of the total gross area of the office building. All of the remaining area of such building shall be occupied solely by you.

12. An escrow for real estate taxes and insurance premiums upon the property will be required. In addition to the aforementioned monthly installments of principal and interest, you will be required to monthly pay to Association an amount equal to one-twelfth (1/12) of the estimated annual real estate taxes and insurance premiums on the property which amounts will be held by Association in escrow for the payment of such items as due. Association shall not pay any interest to you upon such escrowed sums.

13. You shall not sell, contract to sell or further encumber the property or any interest therein without first obtaining the Association's prior written consent.

14. Association shall have been furnished with an appraisal of the property establishing that the principal amount of the Bond is not in excess of 75% of the lesser of (a) the appraised value of the property, or (b) the purchase price to be paid by you for the property under your sales contract therefor with Realamerica Homes, Inc. The appraisal shall be made by an appraiser acceptable to Association and shall comply with the regulations of the Federal Home Loan Bank Board concerning appraisals.

15. At least three (3) business days prior to the date of Association's purchase of the Bond, Association shall be furnished a fully paid fire and extended coverage insurance policy upon the property, which policy shall name Association as an insured with the proceeds of such policy to be payable to Association in the event of any loss. Such policy must provide insurance coverage in an amount equal to the full insurable value of the property but not less than the full principal amount of the Bond. Such policy shall be issued by an insurance company acceptable to Association and in all respects shall be subject to Association's approval.

16. At least ten (10) business days prior to the date of Association's purchase of the Bond, you shall furnish Association a complete abstract of title to the property showing all instruments of record affecting said property and containing certificates concerning judgment, Uniform Commercial Code, federal tax lien and bankruptcy searches on you. Such abstract shall in all respects be acceptable to our legal counsel, shall be continued and certified to a date which is not more than thirty (30) calendar days prior to the date of Association's purchase of the Bond, and such abstract shall be the property

of Association until the Bond and all of your obligations under the Loan Agreement have been fully paid and satisfied.

Prior to our purchase of the Bond, such abstract will be examined by Association's legal counsel who will submit his written opinion thereon to Association. The abstract must, in the opinion of Association's legal counsel, show that record marketable fee simple title to the property is vested in either you or Realamerica Homes, Inc. free and clear of all title defects, restrictions, liens and encumbrances of every kind or nature except those which are acceptable to Association in its sole discretion and those which are in fact legally released and discharged or otherwise legally removed of record from the property prior to Association's purchase of the Bond. It is intended hereby and required that, at the time of Association's purchase of the Bond, the property be free and clear of all liens and encumbrances except the Mortgage to be given by you to Association and except for real estate taxes on the property not then due and payable. Any mechanic's lien or any other lien or claim of lien, whether or not prior in lien of the lien of said Mortgage, and any other matters which Association, in its sole discretion, considers detrimental to its Mortgage, the property or the transaction contemplated by this commitment must be legally discharged and released of record or otherwise disposed of to Association's satisfaction before Association shall purchase the Bond.

If marketable title to the property, as aforesaid, is vested in Realamerica Homes, Inc., then, by the time of Association's purchase of the Bond, Realamerica shall have, of course, duly conveyed the property to you by warranty deed and also delivered to you the standard form of Seller's closing affidavit approved by the Allen County, Indiana Bar Association which affidavit shall inure to the benefit of Association as well as you.

17. At least ten (10) business days prior to the date of Association's purchase of the Bond, you shall furnish Association with a current survey of the property certified to Association which survey shall show the dimensions and location of the office building and all other improvements, if any, thereon, shall show pins set at all corners of the property, shall further show all building lines, easements and other matters of survey and disclose no encroachments, and contain a certification by the surveyor that no part of the property is located within a flood hazard area designated under the HUD-FIA flood hazard boundary maps.

18. Association shall have been furnished with a currently effective unconditional certificate of occupancy for the property issued by the appropriate governmental authority.

19. As of the date of Association's purchase of the Bond:

(a) all matters stated in your "loan" application to Association and all other information furnished to Association concerning you or any guarantor shall be true and correct;

(b) there shall have been no materially adverse change in your financial condition or that of any guarantor from that previously represented to Association;

(c) there shall not be any pending or threatened litigation or other matters adversely affecting, or which may adversely affect, you or any guarantor, the titleholder of the property (if the titleholder is one other than you), the property to be mortgaged to Association, the Mortgage to be given to Association by you or its enforceability as the exclusive first lien;

(d) there shall not be any pending legislation or other matters of any kind which might adversely affect the tax exempt status of the Bond; and

(e) no representation, warranty or covenant contained in any of the agreements or other instruments referred to in Paragraph 6 hereof shall be untrue or breached.

20. You are advised that all services which may be performed by Association's legal counsel in connection with Association's purchase of the Bond, the examination of the title to the property or other matters will be performed for the exclusive benefit and protection of Association - and not for you. It is beyond the perimeters of such legal services to be rendered Association and beyond the scope of Association's functions in the transaction contemplated herein to attempt, even indirectly, to evaluate or protect your myriad interests relating to the property and such transaction. Accordingly, you should not rely upon either such legal services to be performed for Association nor upon the Association to protect your interests.

It is specifically agreed that it is your responsibility, and not that of Association or its legal counsel, to inform your-

self of and take such action as you deem appropriate for your protection in regard to: the condition of the title to the property, including liens, easements, and encumbrances thereon; any restrictions, limitations, and conditions affecting the property, structures thereon, and your use thereof contained in subdivision plats, deeds, other matters of record or applicable laws, including zoning ordinances and compliance therewith; utilities serving the real estate and adequacy thereof; building codes, zoning ordinances, all other ordinances, laws, rules and regulations of any governmental authority affecting the property (including structures thereon) and compliance therewith; the condition of the property and structures thereon, including the suitability thereof for your purposes; and all other matters affecting your interests, including your liabilities, incident to the real estate and the transaction contemplated herein.

In this connection, Association encourages you to retain a lawyer on your behalf and seek such other professional help as you consider desirable. The principal documents to be executed by you in connection with Association's purchase of the Bond will be available for your inspection prior to the closing of said purchase. Association strongly recommends that you review such documents with your lawyer prior to closing.

21. This Commitment is issued to you for your sole and exclusive benefit and shall not inure to the benefit of nor be enforceable by any parties not signatories hereto. Further, you may not assign this Commitment or any interest therein without the prior written consent of Association.

22. Association's purchase of the Bond is to be finally closed not later than February 8, 1981. If such purchase is not concluded on or before said date, Association, at its option, may terminate this commitment and the same shall be null and void, but you shall pay on demand all costs and expenses incurred by Association described in Paragraph 3 herein.

23. This commitment contemplates immediate acceptance, with your approval of the terms to be signified by your endorsement on the duplicate copy for that purpose, and shall expire and be of no force and effect unless such duplicate, with your approval endorsed thereon, is received in this office not later than January 10, 1981.

24. Other Conditions:

Sincerely,

AMERICAN FEDERAL SAVINGS AND
LOAN ASSOCIATION OF FORT WAYNE

By: Roger A. Steup
Roger A. Steup, President

RAS/slb

ACCEPTANCE

The undersigned hereby accepts this commitment from American Federal Savings and Loan Association of Fort Wayne and agrees to all of the terms and conditions thereof.

Dated this _____ day of _____, 198__.

_____
E. David Freeman

_____
Evelyn B. Freeman

$66,700

CITY OF FORT WAYNE, INDIANA

INDUSTRIAL DEVELOPMENT REVENUE BOND

(FREEMAN PROJECT)

SERIES 1981A

CLOSING MEMORANDUM

February 12, 1981

TERMS USED HEREIN

Borrower	- E. David Freeman and Evelyn B. Freeman
Issuer	- City of Fort Wayne, Indiana
Lender	- American Federal Savings & Loan Association, of Fort Wayne
Counsel to Borrower	- Higgins, Swift & Weinrau
Counsel to Issuer	- John Hoffman
Counsel to Lender	- Donald Aikman
Bond Counsel	- Kutak Rock & Huie

I. BASIC DOCUMENTS

1. Bond Ordinance adopted by Issuer

2. Loan Agreement between Issuer and Borrower

3. Assignment of Loan Agreement from Issuer to Lender

4. Mortgage and Security Agreement from Borrower to Lender

5. Offer to Purchase from Lender to Issuer

6. Inducement Letter from Borrower to Issuer and Lender

7. Assignment of Rents and Leases from Borrower to Lender

II. DELIVERED BY ISSUER AT CLOSING

8. Certificate of Officials of the Issuer, regarding Organization of Issuer, Resolutions, Execution of Bond, Non-litigation, Signature Identification, Receipt of Bond Proceeds, Designation of Issuer Representatives and Related Matters

III. DELIVERED BY BORROWER AT CLOSING

9. Certificate of Borrower regarding the Transaction

10. Form of Certificate of Acquisition

IV. DELIVERED BY LENDER AT CLOSING

11. Receipt for Bond

V. MISCELLANEOUS

12. Authorizing State Act

13. Form of Requisition

14. Specimen Bond

15. Transcript of Proceedings before the Fort Wayne Economic Development Commission

16. Resolution of Approval of Allen County, Indiana

17. Certificate of Insurance

VI. LEGAL OPINIONS AND RELATED MATTERS

18. Title Opinion

19. Financing Statement(s) Naming Issuer as Debtor and Lender as Secured Party

20. Financing Statement(s) Naming Borrower as Debtor and Issuer and Lender as Secured Parties

21. No Arbitrage Certificate

22. No Arbitrage Opinion

23. Opinion of Counsel to Issuer

24. Opinion of Counsel to Borrower

25 Opinion of Bond Counsel

26. Reliance Letter

$66,700
CITY OF FORT WAYNE, INDIANA
INDUSTRIAL DEVELOPMENT REVENUE BOND
(FREEMAN PROJECT)
SERIES 1981A

DISTRIBUTION LIST

I. ISSUER:

City of Fort Wayne, Indiana
City County Building
Fort Wayne, Indiana 46802

John Hoffman, Esq., City Attorney
1212 Anthony Wayne Bank
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1/19/81

CITY OF FORT WAYNE, INDIANA

BOND ORDINANCE

Dated February 10, 1981

BOND ORDINANCE

TABLE OF CONTENTS

(This Table of Contents is not a part of the Bond Ordinance and is only for convenience of reference.)

		Page
PARTIES		1
RECITALS		1
FORM OF BOND		2
	ARTICLE I	
DEFINITIONS		10
	ARTICLE II	
	THE BOND	
SECTION 2.01.	Authorized Amount of Bond	11
SECTION 2.02.	Issuance of Bond	11
SECTION 2.03.	Execution; Limited Obligation	11
SECTION 2.04.	Form of Bond	12
SECTION 2.05.	Delivery of Bond	12
SECTION 2.06.	Mutilated, Lost, Stolen or Destroyed Bond	12
SECTION 2.07.	Registration of Bond; Persons Treated as Owners	13
	ARTICLE III	
	REDEMPTION OF BOND BEFORE MATURITY	
SECTION 3.01.	Redemption Dates and Prices	13

SECTION 3.02. Notice of Redemption 13

SECTION 3.03. Redemption Payments 13

ARTICLE IV

GENERAL COVENANTS

SECTION 4.01. Payment of Principal and Premium, if any, and Interest 14

SECTION 4.02. Performance of Covenants; Issuer .. 14

SECTION 4.03. Instruments of Further Assurance .. 15

SECTION 4.04. Inspection of Project Books 15

SECTION 4.05. Rights under Agreement 15

ARTICLE V

REVENUES AND FUNDS 15

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF LENDER AND BONDHOLDER

SECTION 6.01. Defaults; Events of Default 16

SECTION 6.02. Acceleration 16

SECTION 6.03. Other Remedies; Rights of Bondholder 17

SECTION 6.04. Waiver 17

SECTION 6.05. Termination of Proceedings 18

SECTION 6.06. Waivers of Events of Default 18

SECTION 6.07. Notice of Defaults under Section 6.01(c); Opportunity of Issuer and Borrower to Cure Such Defaults 18

ARTICLE VII

LEGAL AUTHORIZATION; FINDINGS

SECTION 7.01. Legal Authorization 19

SECTION 7.02. Findings 19

ARTICLE VIII

AUTHORIZATION TO EXECUTE DOCUMENTS AND SELL BOND

SECTION 8.01. Approval and Authorization of Agreement 19

SECTION 8.02. Authorization of Sale of Bond 20

SECTION 8.03. Authority to Correct Errors, Etc. . 20

SECTION 8.04. Further Authority 20

SECTION 8.05. Copies of Documents Presented to Common Council Available for Inspection 20

SECTION 8.06. Certain Findings Required by the Act 20

SECTION 8.07. Incorporation of Provisions of the Act 21

ARTICLE IX

SUPPLEMENTAL ORDINANCES 21

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Limitation of Rights 21

SECTION 10.02. Severability 21

SECTION 10.03. Notices 22

SECTION 10.04. Counterparts 22

SECTION 10.05. Applicable Provisions of Law 22

SECTION 10.06. Rules of Interpretation 22

SECTION 10.07. Captions 22

TESTIMONIUM 22

SIGNATURES AND SEALS 22

ACKNOWLEDGMENT 24

BOND ORDINANCE

WHEREAS, pursuant to and in accordance with the provisions of the I.C. 18-6-4.5-1 et seq., as amended (the "Act"), by written ordinance of the Common Council of the City of Fort Wayne, Indiana, and in furtherance of the purposes of the Act, the City of Fort Wayne, Indiana ("Issuer") proposes to finance the acquisition and equipping of land (the "Project Site") and certain office facilities (the "Project Building") to be located within the boundaries of Allen County, Indiana (the Project Site and the Project Building are hereinafter referred to as the "Project") to be acquired and equipped and owned by E. David Freeman and Evelyn B. Freeman ("Borrower"), and Issuer proposes to finance the cost of acquiring and equipping the Project by the issuance of an industrial development revenue bond (the "Bond") under this Bond Ordinance; and

WHEREAS, Issuer has undertaken to finance the acquisition and equipping of the Project by loaning the proceeds from the sale of the Bond to Borrower pursuant to the provisions of a Loan Agreement (the "Agreement"), between Issuer and Borrower dated as of February 12, 1981, with loan payments sufficient to pay the principal of and premium, if any, and interest on the Bond and related expenses; and

WHEREAS, it has been determined that the estimated amount necessary to finance the cost of the Project, including necessary expenses incidental thereto, will require the issuance, sale and delivery of the Bond in the principal amount of $66,700, as hereinafter provided; and

WHEREAS, the fully registered Bond is to be in substantially the following form, with appropriate variations, omissions and insertions as permitted or required by this Bond Ordinance, to wit:

(FORM OF BOND)

UNITED STATES OF AMERICA

CITY OF FORT WAYNE, INDIANA

INDUSTRIAL DEVELOPMENT REVENUE BOND

(Freeman Project)

SERIES 1981A

No. R-1 $66,700

KNOW ALL MEN BY THESE PRESENTS that the City of Fort Wayne, Indiana, a municipal corporation and political subdivision duly organized and existing within the State of Indiana under the Constitution and laws of the State of Indiana ("Issuer"), for value received, promises to pay from, but only the source and as hereinafter provided, to American Federal Savings & Loan Association, of Fort Wayne ("Lender"), or its registered assigns, the principal sum of Sixty-six Thousand Seven Hundred Dollars ($66,700) and in like manner to pay interest on said sum from the date hereof at tne rate of twelve percent (12%) per annum monthly commencing April 1, 1981, both principal of and interest on this Bond being payable in lawful money of the United States of America at the office of Lender, in Fort Wayne, Indiana at the times and at the rates set forth below.

Interest, computed on the basis of a 360-day year, 30-day month, but charged for the actual number of days the principal is unpaid, at the rate of twelve percent (12%) per annum, shall accrue from the date hereof and until said principal sum has been paid in full. The aforesaid principal sum and interest thereon as herein provided shall be due and payable to Lender in monthly installments of principal and interest in the amount of $702.50 per month commencing on the 1st day of April, 1981 and continuing on the 1st day of each succeeding calendar month thereafter until the first day of March, 1991, at which time the entire principal balance hereof then remaining unpaid together with all accrued but unpaid interest shall be due and payable in full. If the interest on this Bond should become subject to federal income taxation pursuant to an "Official Determination," as that term is defined below, then the interest rate shall be

immediately increased to seventeen and seven-eighths percent (17-7/8%) on dollars advanced and outstanding from time to time, per annum, computed as above provided, and, whether or not this Bond has been assigned by Lender, Issuer forthwith shall reimburse Lender for the aggregate difference between (1) the monthly payments actually made to Lender on this Bond from the "Taxable Date," as that term is defined below, to the effective date of the rate increase, and (2) the monthly payments which would have been made during such period had the interest on this Bond been at the rate of seventeen and seven-eighths percent (17-7/8%) on dollars advanced and outstanding from time to time, per annum.

On February 12, 1981, Borrower shall pay to Lender an amount of money equal to the interest which will accrue from such date until March 1, 1981.

Each such installment of principal and interest, when paid, shall be applied first to the payment of interest accrued on the unpaid principal balance and the residue thereof shall be applied toward the payment of principal.

The term "Official Determination" shall mean the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that the interest payable on the Bond is includable in the gross income of a holder thereof (other than a holder who is a "substantial user" of the Project or "related person" as such terms are defined in Section 103 of the Internal Revenue Code of 1954, as amended). Such an Official Determination shall be deemed for all purposes of this Bond to have occurred on the date borne by said statutory notice of deficiency; provided, however, that if a petition shall be filed contesting such statutory notice of deficiency or if such deficiency shall be paid and a claim for refund shall be filed, then for the purposes of this Bond an Official Determination shall be deemed to occur upon the date of the entry of a final judgment from which no timely appeal shall have been filed.

The term "Taxable Date" shall mean the date interest payable on the Bond becomes includable in the gross income of the holder of the Bond (otner than any holder who is a substantial user or related person as such terms are defined in Section 103 of the Internal Revenue Code of 1954, as amended).

Principal of, premium, if any, and interest on this Bond shall be payable at the principal office of the registered holder of this Bond, or at such other place as the registered holder hereof may designate in writing.

This Bond is the only Bond of an authorized Bond issue limited in aggregate principal amount to $66,700 (the "Bond") issued for the purpose of providing funds to finance the acquisition and equipping of land and certain facilities consisting of office facilities (which land and facilities are hereinafter referred to as the "Project"), and paying necessary expenses incidental thereto. The proceeds from the sale of the Bond have been loaned by Issuer to Borrower, under the terms of a Loan Agreement dated as of February 12, 1981 (which loan agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Agreement"), under which Borrower is obligated to pay as basic payments amounts which are sufficient to pay (1) the principal of and premium, if any, and interest on this Bond as the same shall become due in accordance with the terms and provisions hereof, and the terms and provisions of the Bond Ordinance (as hereinafter defined), and (2) as additional payments the fees and expenses of Lender and certain expenses of Issuer related to the Project. The Project will be acquired and equipped by Borrower with the proceeds of the Bond. Borrower will own the Project.

This Bond is issued under a Bond Ordinance passed by the Common Council of Issuer on February 10, 1981 (which bond ordinance, as from time to time amended and supplemented, is hereinafter referred to as the "Bond Ordinance"). Pursuant to an Assignment of Loan Agreement dated as of February 12, 1981 between Issuer and Lender (which assignment of loan agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Assignment"), all payments due from Borrower to Issuer under the Agreement are assigned to Lender to secure the payment of principal of and premium, if any, and interest on the Bond. The purchase price of this Bond will be paid by Lender pursuant to an Offer to Purchase dated February 10, 1981, between Issuer and Lender. The Bond is further secured by a Mortgage and Security Agreement, between Borrower and Lender (which mortgage and security agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Mortgage"), wherein Borrower grants to Lender a first mortgage and security interest in

the Project; and by an Assignment of Rents and Leases, between Borrower and Lender (which assignment of rents, as from time to time amended and supplemented, is hereinafter referred to as the "Assignment of Rents"), wherein Borrower assigns to Lender its interest in rentals from the Project. Reference is hereby made to the Agreement, the Assignment, the Offer to Purchase, the Mortgage, the Assignment of Rents and the Bond Ordinance for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of Issuer, Borrower and Lender and the terms upon which the Bond is issued and secured.

This Bond is transferable by the registered holder hereof by execution of an assignment in the form appearing below, by attachment of such form to this Bond, and upon notice in writing to Issuer's City Clerk and Borrower which notice shall include a copy of such assignment, but subject to the limitations and upon payment of all charges incurred by Issuer and imposed by law.

Issuer shall deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and Issuer shall not be affected by any notice to the contrary.

This Bond is noncallable for redemption except as provided below.

This Bond is subject to redemption by Issuer, in whole or in part, in the event Lender elects to exercise the option granted to it pursuant to Section 16(b)(ii) of the Mortgage (relating to damage, destruction or condemnation of the Project) to apply the Proceeds, as that term is defined in the Agreement, to the redemption of the Bond. If called for redemption at any time pursuant to Lender's exercise of such option, this Bond shall be subject to redemption by Issuer at any time on any interest payment date, in whole or in part in the inverse order of its maturities, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. Reference is hereby made to Section 16(b)(ii) of the Mortgage for a description of the circumstances under which the Proceeds may be paid to Lender for full or partial redemption of the Bond.

This Bond is subject to redemption by Issuer, at the option of Borrower in whole or in part in multiples of $1,000 in the inverse order of its maturities, on any payment date subsequent to the date hereof at redemption prices (expressed as percentages of principal amount) as set forth in the chart below plus accrued interest to the redemption date.

Redemption Dates	Redemption Prices
February 10, 1981 to February 9, 1982	102%
February 10, 1982 to February 9, 1986	101%
February 10, 1986 and thereafter	100%

In case an event of default, as defined in the Agreement, shall occur, the principal of this Bond then outstanding may be declared by the registered holder hereof to become immediately due and payable upon the conditions, in the manner, and with the effect provided in the Agreement, and, in such case, this Bond shall be subject to redemption by the Issuer, at the option of the registered holder hereof, in whole, on the payment date next following such election by the registered holder hereof, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

In the event this Bond or any portion thereof is called for redemption as aforesaid (except at the option of the registered holder hereof), notice thereof identifying this Bond or the portions thereof to be redeemed will be given by mailing by registered or certified mail to the registered holder hereof not less than sixty days prior to the date fixed for redemption. In the event this Bond or any portion thereof is called for redemption at the option of the registered holder hereof, such option shall be exercised by sixty (60) days' prior written notice to Borrower and Issuer (except in the case of a redemption because of an event of default, as defined in the Agreement). All maturities of this Bond so called for redemption will cease to bear interest after the specified redemption date provided funds for their redemption are on deposit with Lender at that time. Any funds paid for redemption of this Bond or any portion hereof shall be applied first against the applicable redemption premium, then against any interest due and owing on this Bond, and finally against the unpaid principal balance hereof.

This Bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Indiana, particularly I.C. 18-6-4.5-1 et seq., as amended (the "Act"), and pursuant to the Bond Ordinance which authorizes the execution and delivery of the Loan Agreement and this Bond. Pursuant to the Agreement, payments sufficient for the prompt payment, when due, of the principal of and premium, if any, and interest on the Bond are to be paid by Borrower to Lender for the account of Issuer, and pursuant to the Assignment such payments have been duly pledged and assigned to Lender for that purpose, and in addition, pursuant to the Assignment, the rights of Issuer under the Agreement have been assigned to Lender to secure payment of such principal and premium, if any, and interest.

THIS BOND IS PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM THE AGREEMENT. THIS BOND SHALL NOT IN ANY RESPECT BE A GENERAL OBLIGATION OF ISSUER, NOR SHALL THIS BOND BE PAYABLE IN ANY MANNER FROM FUNDS RAISED BY TAXATION. This Bond is a limited obligation of Issuer, and neither the faith and credit nor the taxing power of Issuer, the State of Indiana or any political subdivision thereof is pledged to the payment of the principal of this Bond or the interest hereon or other costs incident hereto.

The Bond Ordinance permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of Issuer and the rights of the holder or holders of this Bond at any time by Issuer with the consent of the holder or holders of this Bond. Any such consent by the holder or holders of this Bond shall be conclusive and binding upon such holder or holders and upon all future holders of this Bond and of any Bond issued in replacement hereof whether or not notation of such consent is made upon this Bond.

Notwithstanding anything herein to the contrary never shall the interest rate herein on any portion of the outstanding principal amount hereof be in excess of that which the registered holder hereof is legally entitled to charge or collect.

In the event Issuer should fail to make any of the payments required herein, and the item or installment so in default shall continue for a period longer than fifteen days,

Issuer agrees to pay the same together with a premium equal to 5% of the item or installment so in default.

It is agreed that time is of the essence of this Bond. In the event of failure by Issuer or Borrower to pay when due any monthly installment of principal or interest or any premium due hereunder, or if an event of default shall occur, as defined in the Agreement, then the Lender shall have the right and option, without demand to Issuer and Borrower, to declare the remaining indebtedness evidenced by this Bond to be immediately due and payable. Failure to exercise such option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

The remedies of the Lender as provided herein and in the Mortgage, the Assignment of Rents and the Agreement are not exclusive and shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of Lender and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender, and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

This Bond has been issued without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly this Bond may not be assigned or transferred in whole or part, nor may a participation interest in this Bond be given pursuant to any participation agreement, except in accordance with applicable registration requirements, or an applicable exemption from such registration requirements.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond,

together with all other obligations of Issuer, does not exceed or violate any constitutional or statutory limitation; and that the amounts payable under the Agreement and pledged to the payment of the principal of and premium, if any, and interest on this Bond as the same become due, are designed to be sufficient in amount for that purpose.

Upon execution this Bond shall be valid and become obligatory for all purposes and be entitled to the security and benefits of the Bond Ordinance.

IN WITNESS WHEREOF, the City of Fort Wayne, Indiana has caused this Bond to be executed in its name by the manual signature of its Mayor and its corporate seal to be hereunto impressed or imprinted hereon and attested by the manual signature of its City Clerk, all this tenth day of February, 1981.

CITY OF FORT WAYNE, INDIANA

Attest:

By_____
Mayor

By_____
City Clerk

[SEAL]

(The following Form of Assignment shall be used whenever the Bond is to be assigned)

FOR VALUE RECEIVED, , the undersigned hereby sells, assigns and transfers unto
(Tax Identification or Social Security No.) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

NOW, THEREFORE, BE IT ORDAINED, this tenth day of February, 1981 by the City of Fort Wayne, Indiana, a municipal corporation and political subdivision duly organized and existing within the State of Indiana under the laws of the State of Indiana, as follows.

ARTICLE I

DEFINITIONS

All words and phrases defined in Article I of the Agreement shall have the same meaning in this Bond Ordinance. In addition, the following words and phrases shall have the following meanings:

"Agreement" means the Loan Agreement dated as of February 12, 1981 between Issuer and Borrower and any amendments and supplements thereto.

"Assignment" means the Assignment of Loan Agreement dated as of the date of the Agreement and any amendments and supplements thereto by Issuer to Lender.

"Bondholder" or "holder" or "owner of the Bond" means the registered owner of the fully registered Bond, which shall initially be Lender.

The terms "default" and "event of default" mean any occurrence or event specified in and defined by Section 6.01 hereof.

The terms "outstanding" or "Bonds outstanding" mean all Bonds which have been delivered under this Bond Ordinance, except Bonds in lieu of which others have been issued under Section 2.06 hereof.

The term "registered owner" means the person or persons in whose name or names the Bond shall be registered on the books of Issuer kept for that purpose in accordance with provisions of this Bond Ordinance, which registered owner shall initially be Lender.

ARTICLE II

THE BOND

Section 2.01. Authorized Amount of Bond. No Bond may be issued under the provisions of this Bond Ordinance except in accordance with this Article. The total principal amount of the Bond that may be issued is hereby expressly limited to $66,700, except as provided in Section 2.06 hereof.

Section 2.02. Issuance of Bond. The Bond shall be designated "City of Fort Wayne, Indiana Industrial Development Revenue Bond (Freeman Project) Series 1981A." The Bond shall be issuable as one fully registered Bond without coupons in the denomination of $66,700, and shall be initially numbered "R-1."

The Bond shall be dated February 10, 1981, and shall bear interest from such date at the rates payable at tne times and shall mature on the dates as set forth in the form of Bond hereinabove set forth.

Section 2.03. Execution; Limited Obligation. The Bond shall be executed on behalf of Issuer with the manual signature of its Mayor and shall have impressed or imprinted thereon the official seal of Issuer and be attested with the manual signature of the City Clerk of Issuer. The Bond shall not be a general obligation of Issuer but a limited obligation payable solely from the amounts payable under the Agreement (except to the extent paid out of moneys attributable to income from the temporary investment thereof and, under certain circumstances, to proceeds from insurance and condemnation awards) and shall be a valid claim of the respective holders thereof only against the amounts payable under the

Agreement, which amounts are hereby pledged, assigned and otherwise secured for the payment of the Bond and shall be used for no other purpose than to pay the principal of and premium, if any, and interest on the Bond, except as may be otherwise expressly authorized in this Bond Ordinance. Neither Issuer, the State of Indiana, nor any other political subdivision of such State shall be obligated to pay the principal of such Bond or the interest thereon or other costs incident thereto except from the money pledged therefor. Neither the faith and credit nor the taxing power of Issuer, the State of Indiana, or any political subdivision of the State of Indiana is pledged to the payment of the principal of the Bond or the interest thereon or other costs incident thereto. The Bond shall not be a general obligation of Issuer, nor a charge upon the tax revenues of Issuer, nor a charge upon any other revenues or property of Issuer not specifically pledged thereto.

Section 2.04. Form of Bond. The Bond issued under this Bond Ordinance shall be substantially in the form hereinabove set forth with such variations, omissions and insertions as are permitted or required by this Bond Ordinance.

Section 2.05. Delivery of Bond. Upon the execution and delivery of the Agreement and the Assignment, by the parties thereto, Issuer shall execute and deliver the Bond to Lender.

Section 2.06. Mutilated, Lost, Stolen or Destroyed Bond. In the event the Bond is mutilated, lost, stolen or destroyed, Issuer may execute a new Bond of like date, maturity and denomination to that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to Issuer, and, in the case the Bond is lost, stolen or destroyed, there shall be first furnished to Issuer evidence of such loss, theft or destruction satisfactory to Issuer, together with an indemnity satisfactory to it. In the event the Bond shall have matured, instead of issuing a duplicate Bond, Issuer may pay the same without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond. Issuer may charge the holder or owner of the Bond with their reasonable fees and expenses in this connection. Duplicate Bonds shall be numbered from "R-2" upward.

Section 2.07. Registration of Bond; Persons Treated as Owners. The Bond is transferable by the registered holder thereof by execution of an assignment in the form appearing on the Bond, by attachment of such form to the Bond and upon notice of such transfer, together with a copy of the assignment of the Bond, being delivered in writing to Issuer's City Clerk and Borrower. Issuer's City Clerk shall retain copies of all assignments of the Bond.

The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on the fully registered Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed by assignment as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

In each case Issuer shall require the payment by the Bondholder requesting exchange or transfer, of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

ARTICLE III

REDEMPTION OF BOND BEFORE MATURITY

Section 3.01. Redemption Dates and Prices. The Bond is noncallable for redemption except as set forth in the form of Bond hereinabove set forth.

Section 3.02. Notice of Redemption. Notice of the call for any redemption shall be given in the manner set forth in the Bond attached hereto.

Section 3.03. Redemption Payments. Upon the giving of notice and the deposit of funds for redemption with the holder of the Bond, interest on the Bond or portions thereof thus called shall no longer accrue after the date fixed for redemption.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. Payment of Principal and Premium, if any, and Interest. Issuer covenants that it will promptly pay the principal of and premium, if any, and interest on the Bond at the place, on the dates and in the manner provided in the Bond according to the true intent and meaning thereof, but solely from the amounts pledged therefor. The principal and premium, if any, and interest on the Bond are payable solely from the amounts to be paid under the Agreement and otherwise as provided herein and in the Agreement, which amounts are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bond or in this Bond Ordinance shall be construed as pledging any other funds or assets of Issuer. Neither the State of Indiana nor Issuer nor any political subdivision of the State of Indiana shall in any event be liable for the payment of the principal of and premium, if any, or interest on the Bond or for the performance of any pledge, obligation or agreement undertaken by Issuer except to the extent that the amounts pledged herein are sufficient therefor. The Bond shall bear the following legend: THIS BOND IS PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM THE AGREEMENT. THIS BOND SHALL NOT IN ANY RESPECT BE A GENERAL OBLIGATION OF ISSUER, NOR SHALL THIS BOND BE PAYABLE IN ANY MANNER FROM FUNDS RAISED BY TAXATION.

Section 4.02. Performance of Covenants; Issuer. Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Ordinance, the Agreement and the Assignment, in any and every Bond executed and delivered hereunder and in all of its proceedings pertaining hereto. Issuer covenants that it is duly authorized under the Constitution and laws of the State of Indiana, including particularly and without limitation the Act, to issue the Bond authorized hereby and to pass and execute this Bond Ordinance, to assign the Agreement and to pledge the amounts hereby pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bond and the passage, execution and delivery of this Bond Ordinance has been duly and effectively taken, and that the Bond in the hands of the holders and owners thereof is and

will be a valid and enforceable obligation of Issuer according to the terms thereof and hereof.

Section 4.03. Instruments of Further Assurance. Issuer will do, pass, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such ordinances supplemental hereto and such further acts, instruments and transfers as Lender may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto Lender all and singular the amounts pledged hereby to the payment of the principal of and premium, if any, and interest on the Bond. Issuer, except as herein and in the Assignment provided, will not sell, convey, mortgage, encumber or otherwise dispose of any part of the amounts, revenues and receipts paid under the Agreement or its rights under the Agreement.

Section 4.04. Inspection of Project Books. All books and records in Issuer's possession relating to the Project and the amounts derived from the Agreement shall at all reasonable times be open to inspection by such accountants or other agencies as Lender may from time to time designate.

Section 4.05. Rights under Agreement. The Agreement sets forth the covenants and obligations of Issuer and Borrower, including provisions that subsequent to the issuance of the Bond and prior to its payment in full or provision for payment thereof in accordance with the provisions hereof the Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of Lender, and reference is hereby made to the same for a detailed statement of said covenants and obligations of Borrower thereunder, and Issuer agrees that Lender in its name or in the name of Issuer may enforce all rights of Issuer and all obligations of Borrower under and pursuant to the Agreement for and on behalf of the Bondholder, whether or not Issuer is in default hereunder.

ARTICLE V

REVENUES AND FUNDS

The Bond herein authorized and all payments by Issuer hereunder are not general obligations of Issuer but are limited obligations payable solely from the amounts derived

from the Agreement and as authorized by the Act and provided herein.

The proceeds of the Bond have been loaned and the payments provided in Section 4.2(a) of the Agreement are to be remitted directly to Lender for the account of Issuer. Such payments, sufficient in amount to ensure the prompt payment of the principal of and premium, if any, and interest on the Bond, are pledged to such payment.

Lender shall pay for the Bond in accordance with the terms of the Offer to Purchase.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF LENDER AND BONDHOLDER

Section 6.01. Defaults; Events of Default. If any of the following events occur, it is hereby declared to constitute an "event of default":

(a) Default in the due and punctual payment of interest on the Bond;

(b) Default in the due and punctual payment of the principal of or premium, if any, on the Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of Issuer in this Bond Ordinance or in the Bond contained and failure to remedy the same after notice thereof pursuant to Section 6.07 hereof; or

(d) The occurrence of an "event of default" under Section 8.1 of the Agreement or Section 17 of the Mortgage.

Section 6.02. Acceleration. Upon the occurrence of an event of default, Lender may, without notice, declare the principal of the Bond then outstanding and the interest

accrued thereon immediately due and payable, together with any premium then due and such principal, premium, if any, and interest shall thereupon become and be immediately due and payable. Upon any declaration of acceleration hereunder, Issuer and Lender shall immediately declare an amount equal to all amounts then due and payable on the Bond to be immediately due and payable as liquidated damages in accordance with Section 8.2(a) of the Agreement

Section 6.03. Other Remedies; Rights of Bondholder. Upon the occurrence of an event of default, Lender may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of and premium, if any, and interest on the Bond then outstanding.

No remedy conferred upon or reserved to Lender by the terms of this Bond Ordinance is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to Lender hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or event of default hereunder by Lender shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Section 6.04. Waiver. Upon the occurrence of an event of default, to the extent that such rights may then lawfully be waived, neither Issuer nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of this Bond Ordinance, and Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

Section 6.05. Termination of Proceedings. In case Lender shall have proceeded to enforce any right under this Bond Ordinance by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case Issuer and Lender shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Bond Ordinance, and all rights, remedies and powers of Lender shall continue as if no such proceedings had been taken.

Section 6.06. Waivers of Events of Default. Lender may at its discretion waive, in writing, any event of default hereunder and its consequences and rescind any declaration of maturity of principal.

Section 6.07. Notice of Defaults under Section 6.01(c); Opportunity of Issuer and Borrower to Cure Such Defaults. Anything herein to the contrary notwithstanding, no default under Section 6.01(c) hereof shall constitute an event of default until notice of such default by registered or certified mail shall be given to Issuer and Borrower by Lender, and Issuer and Borrower shall have had thirty days from the date Lender gave such written notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the 30-day period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by Issuer or Borrower within the 30-day period and diligently pursued until the default is corrected; notwithstanding the foregoing proviso, if such default is not cured within 90 days of the date of written notice relating thereto, Lender shall be entitled to exercise the security provided under the Mortgage, the Assignment and all other devices delivered in connection with this transaction.

With regard to any default concerning which notice is given to Issuer and Borrower under the provisions of this Section, Issuer hereby grants Borrower full authority for account of Issuer to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of Issuer with full power to do any and all things

and acts to the same extent that Issuer could do and perform any such things and acts and with power of substitution.

It is expressly understood by Borrower that it shall not be necessary that Lender notify Borrower of any default under Section 6.01(a) or (b) hereof.

ARTICLE VII

LEGAL AUTHORIZATION; FINDINGS

Section 7.01. Legal Authorization. Issuer is a political subdivision of the State of Indiana and is authorized under the Act to initiate the economic development facility referred to, and to issue and sell bonds in the form of a single debt instrument such as the Bond for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Bond Ordinance.

Section 7.02. Findings. The Common Council of Issuer has heretofore determined, and does hereby determine, as follows:

(a) Issuer is authorized by the Act to enter into the Agreement for the public purposes expressed in the Act.

(b) Issuer has made the necessary arrangements with Borrower for the establishment within the boundaries of Allen County, Indiana of the Project consisting of certain property all as more fully described in the Agreement which will be of the character and accomplish the purposes provided by the Act, and Issuer has by this Bond Ordinance authorized the Project.

(c) The construction of the Project will promote diversification of economic development and job opportunities in and near Issuer and in Allen County, Indiana and will assist in the preservation of the health, safety and the general welfare of the citizens of Issuer.

ARTICLE VIII

AUTHORIZATION TO EXECUTE DOCUMENTS AND SELL BOND

Section 8.01. Approval and Authorization of Agreement. The Agreement and the Assignment, in the forms and contents

presented to the Common Council on this date, be and the same are in all respects hereby approved, authorized and confirmed and the Mayor and City Clerk or Deputy City Clerk be and they are hereby authorized and directed to execute and deliver the Agreement and the Assignment in substantially the forms and contents as presented to the Common Council on this date, for and on behalf of Issuer.

Section 8.02. Authorization of Sale of Bond. The sale of the Bond to Lender, at a purchase price as set forth in the Offer to Purchase, is hereby approved, authorized and confirmed.

Section 8.03. Authority to Correct Errors, Etc. The Mayor and City Clerk or Deputy City Clerk are hereby authorized and directed to make any alterations, changes or additions in the instruments herein approved, authorized and confirmed necessary to correct errors or omissions therein, or to conform the same to the other provisions of said instruments or to the provisions of this Bond Ordinance.

Section 8.04. Further Authority. The Mayor, City Clerk, City Attorney and other Issuer officials are hereby authorized to execute and deliver for and on behalf of Issuer any and all additional certificates, documents or other papers and to perform all other acts as they may deem necessary or appropriate in order to implement and carry out the matters herein authorized.

Section 8.05. Copies of Documents Presented to Common Council Available for Inspection. True and correct copies of all documents presented to the Common Council and identified and referred to in this Bond Ordinance are on file in the office of the City Clerk in the offices of Issuer and are available for inspection by the general public during regular business hours.

Section 8.06. Certain Findings Required by the Act. In accordance with the requirements of Section 18-6-4.5-16 of the Act, it is hereby determined and found that:

(a) The Fort Wayne Economic Development Commission has prepared its report with respect to the Project and has found and determined that the issuance of the Bond, the proceeds of which will be used to finance the Proj-

ect, will be of benefit to the health and welfare of Issuer and has, by resolution, approved the financing of the Project and has approved the form and terms of the Agreement and the Bond; and

(b) Allen County, Indiana, within whose boundaries the Project is located, has consented to the aquisition and construction of the Project.

Section 8.07. Incorporation of Provisions of the Act. This Ordinance does hereby incorporate by reference as though fully set out herein the provisions of the Act.

ARTICLE IX

SUPPLEMENTAL ORDINANCES

Issuer may, upon the request of and with the written consent of Borrower and Lender, pass and execute ordinances supplemental to this Bond Ordinance which shall not be inconsistent with the terms and provisions hereof.

ARTICLE X

MISCELLANEOUS

Section 10.01. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Ordinance or the Bond is intended or shall be construed to give to any person or company other than Issuer, Borrower, Lender and the holder of the Bond any legal or equitable right, remedy or claim under or with respect to this Bond Ordinance or any covenants, conditions and provisions herein contained; this Bond Ordinance and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of Issuer, Borrower, Lender and the holder of the Bond as herein provided.

Section 10.02. Severability. If any provision of this Bond Ordinance shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 10.03. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed as follows: if to Issuer, City County Building, Fort Wayne, Indiana 46802, Attention: City Clerk; if to Borrower, E. David Freeman and Evelyn B. Freeman, 3342 Mallard Cove Lane, Fort Wayne, Indiana 46804; and, if to Lender, 4036 Coldwater Road, Fort Wayne, Indiana 46805, Attention: President. A duplicate copy of each notice, certificate or other communication given hereunder by Issuer or Borrower shall also be given to Lender. Issuer, Borrower and Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.04. Counterparts. This Bond Ordinance may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.05. Applicable Provisions of Law. This Bond Ordinance shall be governed by and construed in accordance with the laws of the State of Indiana.

Section 10.06. Rules of Interpretation. Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to the Indenture and not solely to the particular portion in which any such word is used.

Section 10.07. Captions. The captions or headings in this Bond Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Bond Ordinance.

Passed and approved this tenth day of February, 1981.

[SEAL] CITY OF FORT WAYNE, INDIANA

Attest:

By_____
Mayor

By_____
City Clerk

CITY CLERK'S CERTIFICATE

I, , being first duly sworn do hereby depose and certify that I am the duly appointed qualified, and acting City Clerk of the City of Fort Wayne, in the County of Allen, State of Indiana; that as such I have in my possession, or have access to, the complete corporate records of said Fort Wayne and of its Common Council and officers; that I have carefully compared the transcript hereto attached with the aforesaid corporate records; and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken by the Common Council of said Fort Wayne at a meeting open to the public on February 10, 1981, for the purpose of considering an Ordinance authorizing the issuance of $66,700 aggregate principal amount of Industrial Development Revenue Bond (Freeman Project) Series 1981A, of the City of Fort Wayne, Indiana, the execution and delivery of a Loan Agreement between the City of Fort Wayne, Indiana and E. David Freeman and Evelyn B. Freeman loaning the proceeds of the Bonds to E. David Freeman and Evelyn B. Freeman to defray the cost of an industrial development project, the execution and delivery of an Assignment of Loan Agreement between the City of Fort Wayne, Indiana and American Federal Savings & Loan Association, of Fort Wayne, to secure said Bond and assign the rights and interest of the City of Fort Wayne, Indiana in and to said Loan Agreement, the sale of said Bond and related matters.

WITNESS my hand and the Corporate Seal of the City of Fort Wayne, Indiana hereto affixed at Fort Wayne, Indiana, this day of February, 1981.

[SEAL]

City Clerk

STATE OF INDIANA]
] ss.
COUNTY OF ALLEN]

Subscribed and sworn to before me this day, the date last above written.

_____
Notary Public in and for the
State of Indiana

[SEAL]

DRAFT
KR&H
1/19/81

CITY OF FORT WAYNE, INDIANA

and

E. DAVID FREEMAN AND EVELYN B. FREEMAN

LOAN AGREEMENT

Dated as of February 12, 1981

The interest of the City of Fort Wayne, Indiana in this Loan Agreement has been assigned to American Federal Savings & Loan Association, of Fort Wayne, under an Assignment of Loan Agreement dated as of the date hereof from the City of Fort Wayne, Indiana to American Federal Savings & Loan Association, of Fort Wayne and is subject to the security interest of American Federal Savings & Loan Association, of Fort Wayne.

LOAN AGREEMENT

TABLE OF CONTENTS

(This Table of Contents is not a part of the Loan Agreement and is only for convenience of reference.)

		Page
PARTIES		1
PREAMBLES		1
	ARTICLE I	
DEFINITIONS		1
	ARTICLE II	
	REPRESENTATIONS, COVENANTS AND WARRANTIES	
SECTION 2.1.	Representations, Covenants and Warranties of Issuer	6
SECTION 2.2.	Representations, Covenants and Warranties of Borrower	7
SECTION 2.3.	Lender May Rely on Representations	9
	ARTICLE III	
	ACQUISITION OF THE PROJECT; ISSUANCE OF THE BOND	
SECTION 3.1.	Agreement to Acquire the Project	9
SECTION 3.2.	Agreement to Issue the Bond; Purchase of Bond by Lender	10
SECTION 3.3.	Payment of Purchase Price	10
SECTION 3.4.	Establishment or Acquisition Date	10
SECTION 3.5.	Borrower Required to Pay in Event Bond Proceeds Insufficient	10

SECTION 3.6. Special Arbitrage Certifications . 11

ARTICLE IV

LOAN OF PROCEEDS TO BORROWER; LOAN PROVISIONS

SECTION 4.1. Loan or Proceeds 11

SECTION 4.2. Amounts Payable 11

SECTION 4.3. Obligations of Borrower Hereunder Unconditional; Payments Assigned . 13

ARTICLE V

DAMAGE, DESTRUCTION AND CONDEMNATION 14

ARTICLE VI

SPECIAL COVENANTS

SECTION 6.1. No Warranty of Condition or Suitability by Issuer or Lender .. 14

SECTION 6.2. Further Assurances and Corrective Instruments 14

SECTION 6.3. Issuer and Borrower Representatives 15

SECTION 6.4. First Mortgage Lien and Security Interest in the Project 15

ARTICLE VII

ASSIGNMENT, LEASING, INDEMNIFICATION, MORTGAGING AND SELLING; REDEMPTION

SECTION 7.1. Assignment and Leasing 15

SECTION 7.2. Release and Indemnification Covenants 16

SECTION 7.3.	References to Bond Ineffective After Bond Paid	17
SECTION 7.4.	Issuer to Grant Security Interest to Lender	17

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1.	Events of Default Defined	17
SECTION 8.2.	Remedies on Default	20
SECTION 8.3.	No Remedy Exclusive	21
SECTION 8.4.	Agreement to Pay Attorneys' Fees and Expenses	21
SECTION 8.5.	No Additional Waiver Implied by One Waiver	21

ARTICLE IX

PREPAYMENT OF LOAN

SECTION 9.1.	Option to Prepay	22
SECTION 9.2.	Prepayment Upon Occurrence of Damage, Destruction or Condemnation	22

ARTICLE X

MISCELLANEOUS

SECTION 10.1.	Loan Term	22
SECTION 10.2.	Notices	22
SECTION 10.3.	Binding Effect	23

SECTION 10.4. Severability 23

SECTION 10.5. Amendments, Changes and Modifications 23

SECTION 10.6. Execution in Counterparts 23

SECTION 10.7. Applicable Law 23

SECTION 10.8. Captions 23

TESTIMONIUM 24

SIGNATURES AND SEALS 24

ACKNOWLEDGEMENTS 24

EXHIBIT A

EXHIBIT B

THIS LOAN AGREEMENT dated as of February 12, 1981 between the CITY OF FORT WAYNE, INDIANA, a municipal corporation and a political subdivision duly organized and existing within the State of Indiana under the Constitution and the laws of the State of Indiana, and E. DAVID FREEMAN AND EVELYN B. FREEMAN.

W I T N E S S E T H:

WHEREAS, pursuant to and in accordance with the provisions of I.C. 18-6-4.5-1 et seq., as amended (the "Act"), by written ordinance of the Common Council of the City of Fort Wayne, and in furtherance of the purposes of the Act, the City of Fort Wayne, Indiana ("Issuer") proposes to finance the acquisition and equipping of land (the "Project Site") and a building and related improvements and equipment constituting an economic development facility (which facility is hereinafter referred to as the "Project Building"), to be located within the corporate boundaries of Allen County, Indiana on the Project Site (the Project Building and the Project Site are collectively referred to as the "Project"), all of which is owned and to be owned by E. David Freeman and Evelyn B. Freeman ("Borrower"); and

WHEREAS, Issuer proposes to finance the cost of such acquiring and equipping of the Project by the issuance of an industrial development revenue bond under an ordinance of the Common Council of Issuer, the proceeds of said industrial development bond to be loaned by Issuer to Borrower; and

WHEREAS, Borrower desires to borrow the proceeds of said industrial development bond from Issuer upon the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

The following words and phrases shall have the following meanings:

"Acquisition Date" means the date on which Borrower, pursuant to Section 3.4 hereof certifies to Lender that the acquisition of the Project is complete.

"Act" means the I.C. 18-6-4.5-1 et seq., as amended.

"Agreement" means this Loan Agreement and any amendments and supplements hereto.

"Assignment" means the Assignment of Loan Agreement dated as of this date, among Issuer and Lender, pursuant to which the interest of Issuer in this Agreement and the amounts received by Issuer hereunder are to be pledged and assigned as security for the payment of principal of and premium, if any, and interest on the Bond, including any agreement or assignment supplemental thereto.

"Assignment of Rents" means the Assignment of Rents and Leases dated as of this date, between Borrower and Lender, pursuant to which the interest of Borrower, and its right to collect rentals, in and under certain leases, is assigned to Lender to secure payment of the Bond, and amendments and supplements thereto.

"Bond" means Issuer's Industrial Development Revenue Bond (Freeman Project) Series 1981A, issued by Issuer pursuant to the Bond Ordinance.

"Bond Ordinance" means the ordinance passed by the Common Council of Issuer on February 10, 1981, authorizing the issuance of the Bond, including any ordinances supplemental thereto.

"Borrower" means E. David Freeman and Evelyn B. Freeman.

"Borrower Representative" means the person or persons at the time designated to act on behalf of Borrower by written certificate furnished to Issuer and Lender containing the specimen signature of such person or persons and signed on behalf of Borrower. Such certificate may designate an alternate or alternates.

"Business Day" means a secular day on which banking business is transacted in the city in which is located the place designated by Lender as the place to which payments made by Borrower under Section 4.2 are to be delivered.

"Code" means the Internal Revenue Code of 1954, as amended.

"Commitment" means the Loan Commitment of Lender dated December 24, 1980, providing for long-term financing of the Project, including Borrower's application dated August 25, 1980 submitted in connection therewith.

"Cost of Acquisition" means the costs of acquisition and equipping of the Project and shall be deemed to include those items included in the "cost of project" as described in the Act, including but not limited to:

(i) all costs which Issuer or Borrower shall be required to pay, under the terms of any contract or contracts, for the acquisition or equipping of the Project;

(ii) obligations of Borrower incurred for labor and materials (including obligations payable to Borrower) in connection with the acquisition and equipping of the Project, including reimbursement to Borrower for all advances and payments made prior to or after delivery of the Bond;

(iii) all costs of engineering and architectural services, including the costs of Issuer or Borrower for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper construction of the Project;

(iv) all expenses incurred in connection with the issuance of the Bonds, including without limitation, compensation to any financial consultants, any and all fees owed to Lender, legal fees and expenses, costs of printing and engraving, recording, registration and filing fees and costs of title insurance;

(v) any sums required to reimburse Issuer or Borrower for advances made by either of them for any of the above items or for any other costs incurred and for work done by either or them which are properly chargeable to the Project; and

(vi) interest on the Bond prior to the Acquisition Date.

"Developer" means Realamerica Homes, Inc., a corporation organized under the laws of the State of Indiana.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of any state and who is not a full-time employee of Lender, Issuer or Borrower.

"Issuer" means the City of Fort Wayne, Indiana, a municipal corporation and political subdivision duly organized and existing within the State of Indiana under the Constitution and laws of the State of Indiana.

"Issuer Representative" means the person at the time designated to act on behalf of Issuer by written certificate furnished to Borrower and Lender containing the specimen signature of such person and signed on behalf of Issuer by its duly authorized agent. Such certificate may designate an alternate or alternates. The Issuer Representative may be an employee of Issuer or Borrower.

"Lender" means American Federal Savings & Loan Association, of Fort Wayne, and its successors and assigns.

"Loan Term" means the term of this Agreement as specified in Section 10.1 hereof.

"Mortgage" means the Mortgage and Security Agreement dated as of this date, between Borrower and Lender pursuant to which Borrower grants to Lender a mortgage lien and security interest in the Project, and including any amendments, agreements and assignments supplemental thereto.

"Proceeds," when used with respect to any insurance proceeds from policies required by the Mortgage or any condemnation award, means the entire amount thereof.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent, or which Borrower may, pursuant to the provisions of Section 3 of the Mortgage, permit to remain unpaid, (ii) this Agreement, the Assignment, the Assignment of Rents, the Mortgage and any financing statements naming Issuer or Borrower as debtor and naming Lender or Issuer as secured party

filed to perfect the security interests granted by the Mortgage, the Assignment of Rents, the Assignment and this Agreement, (iii) utility access and other easements and rights of way, restrictions and exceptions that Borrower Representative certifies will not interfere with or impair the Project and as may be permitted by Lender in its sole discretion, and (iv) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the Project and as may be permitted by Lender in its sole discretion.

"Project" means, unless the context indicates otherwise, the Project Building and the Project Site.

"Project Building" means (i) the economic development facility, consisting of a building and related equipment, and those items of fixtures, machinery, equipment and other tangible personal property required or permitted to be acquired with the proceeds of the sale of the Bond or the proceeds of any payment by Borrower pursuant to the provisions of Section 3.5 hereof (which property is described generally in Exhibit B hereto), and (ii) any item of machinery, equipment or other tangible property acquired in substitution for, or as a renewal or replacement of, or a modification or improvement to any property described in (i) above, pursuant to the provisions of Sections 2 and 16(c)(i) of the Mortgage.

"Project Site" means the real estate described in Exhibit A attached hereto on which the Project Building will be situated, which real estate is owned by Borrower, and any other interests in real property, leasehold interests, easements, licenses and rights in real property hereafter acquired by Borrower with proceeds of the Bond for use in connection with the Project, less any interests in real property taken by the exercise of the power of eminent domain.

"State" means the State of Indiana.

"UCC Financing Statements" means collectively (i) the two Uniform Commercial Code Financing Statements executed by Borrower in favor of Lender covering Borrower's interest in the Project and all leases of the Project and which shall be filed in the appropriate governmental offices for the perfection of a security interest in chattels and in fixtures; and (ii) the Uniform Commercial Code Financing Statement executed

by Issuer in favor of Lender covering Issuer's interests in the Loan Agreement, which shall be filed in the appropriate governmental office for the perfection of a security interest in instruments and chattel paper.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Issuer. Issuer represents that:

(a) Issuer is a municipal corporation and political subdivision duly organized and existing within the State under the constitution and laws of the State. Under the provisions of the Act, Issuer is authorized to enter into the transactions contemplated by this Agreement and the Bond Ordinance and to carry out its obligations hereunder. Issuer has been duly authorized to execute and deliver this Agreement, its UCC Financing Statement and the Bond. Issuer agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence;

(b) Issuer proposes to issue the Bond to the Lender for the purpose of financing, by loan to Borrower, Borrower's acquiring and equipping the Project; the design and plan of the Project comprises real and personal properties useful in connection with the operation of an economic development facility as contemplated by the Act;

(c) The Project has been approved by the Fort Wayne Economic Development Commission and Allen County, Indiana;

(d) Heretofore, Issuer and Developer did agree that Issuer would finance the cost of acquiring and equipping a series of economic development facilities, including the Project. Borrower has estimated that the Costs of Acquisition of the Project will be at least $66,700. On that basis, Issuer proposes to issue the Bond in the aggregate principal amount of $66,700 which will mature at such dates and bear interest at such rates and which will be subject to redemption at the times and at the redemption prices as set forth in the

Bond and Bond Ordinance, in order to finance the cost of acquiring and equipping the Project;

(e) Pursuant to the Bond Ordinance, Issuer has authorized and directed Lender to disburse the proceeds of the Bond directly to Borrower and such other parties as may be entitled to payment for Costs of Acquisition, upon receipt of such supporting documentation as Lender may deem reasonably necessary, and the payments so made shall be deemed to have been advanced for and on behalf of Issuer under the Bond;

(f) Issuer covenants that it will not pledge this Agreement or the amounts derived from this Agreement other than to secure the Bond; and

(g) Issuer hereby finds that a private sale of the Bond would be advantageous to Issuer.

Section 2.2. Representations, Covenants and Warranties of Borrower. Borrower represents, covenants and warrants as follows:

(a) Borrower has the power to enter into this Agreement.

(b) The Project is of the type authorized and permitted by the Act, and its estimated Costs of Acquisition is at least $66,700.

(c) The Project constitutes and will constitute either land or property of a character subject to the allowance for depreciation under Section 167 of the Code, and for Federal income tax purposes and all expenditures for and Costs of Acquisition are chargeable to a capital account for Federal income tax purposes.

(d) Neither the execution and delivery of this Agreement, the Mortgage, the Assignment of Rents or the UCC Financing Statements, the acceptance of the Commitment, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Agreement, the Mortgage, the Assignment of Rents or the Commitment conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or

instrument to which Borrower is now a party or by which Borrower is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Borrower except any interests herein under the terms of any instrument or agreement.

(e) The Project complies and will comply throughout the term of this Agreement with all presently applicable health and safety standards and all other industrial requirements or restrictions enacted or promulgated by the State, or any political subdivision thereof, or by the government of the United States or any agency thereof.

(f) There is no litigation or proceeding pending, or to the knowledge of Borrower threatened, against Borrower or any other person affecting in any manner whatsoever the right of Borrower to execute this Agreement or the ability of Borrower to pay the payments required hereunder or to otherwise comply with its obligations contained herein.

(g) All of the proceeds from the sale of the Bond actually spent will be used for the acquisition and equipping of the Project.

(h) Borrower will not take or permit to be taken any action which would have the effect, directly or indirectly, of subjecting interest on the Bond to Federal income taxation.

(i) Borrower shall operate or cause the Project to be operated as a "project," within the meaning of the Act, until the date on which the Bond has been fully paid and is no longer outstanding, and shall not abandon the Project.

(j) No changes shall be made in the Project and no actions will be taken by Borrower which in any way affect the qualification of the Project as a "project," as defined by the Act.

(k) Acquisition of the Project commenced subsequent to April 8, 1980, the date upon which the Common

Council of Issuer adopted an ordinance of intention to issue the Bond for the purpose of financing the Costs Acquisition; and prior to April 8, 1980 neither Borrower nor any related person entered into any binding agreement in connection with the acquisition of the Project.

(l) The Project Building will be located on the Project Site. Upon acquisition of the Project by Borrower, Borrower will have good and marketable title to the Project, subject only to Permitted Encumbrances.

(m) The Project, as designed, complies with all presently applicable building and zoning ordinances, and will not violate any applicable use or other restrictions contained in prior conveyances and zoning ordinances or regulations, plat restrictions and other matters of record.

Section 2.3. Lender May Rely on Representations. Issuer and Borrower agree that the representations contained in this Article II are for the use and benefit of Lender, as well as Issuer and Borrower, shall inure to the benefit of Lender, and Lender shall be entitled to rely thereon.

ARTICLE III

ACQUISITION OF THE PROJECT; ISSUANCE OF THE BOND

Section 3.1. Agreement to Acquire the Project. Borrower agrees that it will cause the acquisition and equipping of the Project to be completed as provided herein. The Project shall belong to and be the property of Borrower, subject only to Permitted Encumbrances.

Borrower hereby agrees that in order to effectuate the purposes of this Agreement it will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for completing the acquisition and equipping of the Project. So long as Borrower is not in default under any of the provisions of this Agreement, the Mortgage or the Assignment of Rents, Borrower shall have full power to carry out the acts and agreements provided in this Section 3.1 and such power is granted and conferred irrevocably by Issuer to

Borrower and is accepted by Borrower; and shall not be terminated by any act of Issuer or of Borrower.

Borrower agrees to acquire and equip the Project within 90 days of the date hereof; but if for any reason such acquisition and equipping is not completed within 90 days of the date hereof, there shall be no resulting liability on the part of Borrower; provided that in no event shall Borrower fail to complete acquisition and equipping of the Project any later than March 31, 1981.

Section 3.2. Agreement to Issue the Bond; Purchase of Bond by Lender. In order to provide funds for payment of the Costs of Acquisition, Issuer, concurrently with the execution of this Agreement, will issue, sell and deliver the Bond to Lender at a purchase price of $66,700. The purchase of the Bond by Lender shall be subject to such conditions as are set forth in the Offer to Purchase, pursuant to which Lender agrees to buy the Bond at the time and subject to the conditions set forth therein.

Section 3.3. Payment of Purchase Price. Lender shall pay the purchase price of the Bond by delivery of immediately available funds to Borrower. Such payment shall be made upon receipt by Lender of a requisition signed by Borrower Representative in a form acceptable to Lender. No requisitions shall be paid until each of the conditions set forth in the Offer to Purchase shall have been satisfied.

Section 3.4. Establishment of Acquisition Date. The Acquisition Date shall be evidenced by delivery to Lender of a certificate signed by Borrower Representative stating that all Costs of Acquisition have been paid and that Acquisition of the Project is complete.

Section 3.5. Borrower Required to Pay in Event Bond Proceeds Insufficent. In the event the moneys from the proceeds of the Bond available for payment of the Costs of Acquisition should not be sufficient to pay the Costs of Acquisition in full, Borrower agrees to complete the acquisition of the Project and to pay that portion of the Costs of Acquisition in excess of the moneys available therefor from the proceeds of the Bond. Issuer makes no warranty, either express or implied, that the proceeds of the Bond available for payment of the Costs of Acquisition will be sufficient to pay all of the Costs of Acquisition. Borrower agrees that if

after exhaustion of the proceeds of the Bond available for payment of the Costs of Acquisition Borrower should pay any portion of the Costs of Acquisition pursuant to the provisions of this Section, Borrower shall not be entitled to any reimbursement therefor from Issuer or from Lender, nor shall Borrower be entitled to any diminution of the amounts payable under Section 4.2 hereof.

Section 3.6. Special Arbitrage Certifications. Issuer and Borrower jointly and severally certify and covenant to each other and to and for the benefit of the purchasers and holders of the Bond that so long as the Bond remains outstanding, moneys on deposit in any fund or account in connection with the Bond, whether or not such moneys were derived from the proceeds of the sale of the Bond or from any other sources, will not be used in a manner which will cause the Bond to be classified as an "arbitrage bond" within the meaning of Section 103(c) of the Code.

ARTICLE IV

LOAN OF PROCEEDS TO BORROWER;
LOAN PROVISIONS

Section 4.1. Loan of Proceeds. Issuer agrees, upon the terms and conditions contained in this Agreement, to lend to Borrower the proceeds received by Issuer from the sale of the Bond. Such proceeds shall be disbursed to or on behalf of Borrower as provided in Section 3.3 hereof.

Section 4.2. Amounts Payable.

(a) Borrower hereby covenants and agrees to repay the loan made to it pursuant to Section 4.1 hereof in installments, as follows:

on or before the first day of April, 1981, and on or before the first day of each and every month thereafter until the Bond shall have been fully paid in accordance with its terms and the terms of the Bond Ordinance, in immediately available funds, a sum which will equal the amount payable on such date as principal of (whether at maturity, or upon redemption or acceleration or otherwise), and premium, if any, and interest upon the Bond as provided by its terms and the terms of the Bond

Ordinance. All payments payable under this Section 4.2(a) are hereby assigned by Issuer to Lender, and Issuer hereby directs all such payments to be paid directly to Lender.

(b) In order to provide for the payment of real estate taxes, assessments, insurance premiums and other annual charges upon or pertaining to the Project, Borrower shall also pay monthly to Lender, in addition to and at the same time as the above monthly installment payments, a sum estimated to be equivalent to one-twelfth (1/12) of such items, which payments may, at the option of Lender, (a) be held by it and commingled with other such funds or its own funds for the payment of such items; (b) be carried in a share account and withdrawn by it to pay such items; or (c) be credited to the unpaid balance of Borrower's indebtedness as received, provided that Lender advances sums sufficient to pay said items as the same accrue and become payable. If the amount estimated to be sufficient to pay said items is not sufficient, Borrower shall pay the difference upon demand. Such sums are hereby pledged to further secure Borrower's indebtedness hereunder. Lender is authorized to pay said items as charged or billed without further inquiry. Borrower agrees that it shall not be entitled to any interest upon any such sums.

(c) Borrower will also pay the reasonable expenses of Issuer related to the Project and incurred upon the request of Borrower.

(d) Borrower will also pay the fees and expenses of Lender, such fees and expenses to be paid directly to Lender for its own account as and when such fees and expenses become due and payable, and any expenses in connection with any redemption of the Bond.

(e) In the event Borrower should fail to make any of the payments required in this Section 4.2, the item or installment so in default shall continue as an obligation of Borrower until the amount in default shall have been fully paid, and with respect to all payments to be made under Section 4.2(a) hereof, Borrower agrees to pay the same together with a premium equal to five percent of the item or installment so in default, or with respect to payments to be made to Lender or Issuer

under Sections 4.2(b), (c) and (d) hereof, Borrower agrees to pay the same with interest thereon from the date thereof at the rate per annum which is the lesser of the highest legal rate permitted by law or five percent over the then applicable rate of the Bond.

(f) All payments payable by Borrower under the provisions of this Section 4.2 shall be paid promptly when due as time is of the essence of this Agreement.

Section 4.3. Obligations of Borrower Hereunder Unconditional; Payments Assigned. The obligations of Borrower to make the payments required in Section 4.2 and other sections hereof and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by Issuer or Lender of any obligation to Borrower, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to Borrower by Issuer or Lender and until such time as all of the principal of and premium, if any, and interest on the Bond shall have been fully paid, Borrower (i) will not suspend or discontinue any payments provided for in Section 4.2 hereof, (ii) will perform and observe all other agreements contained in this Agreement and (iii) except as provided in Article IX hereof, will not terminate the Loan Term for any cause including, without limiting the generality of the foregoing, failure of Borrower to complete the acquisition and equipping of the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of Issuer or Lender to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section shall be construed to release Issuer from the performance of any of the agreements on its part herein contained; and in the event Issuer should fail to perform any such agreement on its part, Borrower may institute such action against Issuer as Borrower may deem necessary to compel performance so long as such action does not abrogate the obligations of Borrower contained in the

first sentence of this Section 4.3. Borrower may, however, at Borrower's own cost and expense and in Borrower's own name or in the name of Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which Borrower deems reasonably necessary in order to secure or protect Borrower's right of possession, occupancy and use hereunder, and in such event Issuer hereby agrees to cooperate fully with Borrower and to take all action necessary to effect the substitution of Borrower for Issuer in any such action or proceeding if Borrower shall so request.

ARTICLE V

DAMAGE, DESTRUCTION AND CONDEMNATION

Unless amounts payable under this Agreement have been prepaid in whole pursuant to the provisions of Section 9.2 hereof, if prior to full payment of the Bond (i) the Project or any portion thereof is damaged or destroyed (in whole or in part) or by fire or other casualty or condemnation or (ii) title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Borrower shall continue to be obligated to continue to pay the amounts specified in Section 4.2 hereof.

ARTICLE VI

SPECIAL COVENANTS

Section 6.1. No Warranty of Condition or Suitability by Issuer or Lender. Neither Issuer nor Lender makes any warranty, either express or implied, as to the Project or the condition thereof, or that the Project will be suitable for the purposes or needs of Borrower.

Section 6.2. Further Assurances and Corrective Instruments. Issuer, Borrower and Lender agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or for carrying out the expressed intention of this Agreement, the Assignment, the Assignment of Rents and the Mortgage.

Section 6.3. Issuer and Borrower Representatives. Whenever under the provisions of this Agreement the approval of Issuer or Borrower is required or Issuer or Borrower is required to take some action at the request of the other, such approval or such request shall be given for Issuer by Issuer Representative and for Borrower by Borrower Representative and any party hereto and Lender shall be authorized to act on any such approval or request.

Section 6.4. First Mortgage Lien and Security Interest in the Project. Borrower hereby agrees, as a condition precedent to Issuer's execution and delivery of the Bond, to execute the Mortgage and its UCC Financing Statements, causing a first mortgage lien and security interest to be granted to Lender in all real and personal property included in the Project, in order to secure payment of principal of, premium, if any, and interest on the Bond, and, furthermore, to execute the Assignment of Rents and the Subordination Agreement.

ARTICLE VII

ASSIGNMENT, LEASING, INDEMNIFICATION, MORTGAGING AND SELLING; REDEMPTION

Section 7.1. Assignment and Leasing. Borrower shall not assign this Agreement nor any interest or right herein. Borrower shall not, without first having obtained the prior written consent of Lender thereto, lease, rent or sublet in the aggregate by one or more leases or other agreements more than fifty percent (50%) of the total gross area of the Project Building. All of the remaining gross area of the Project Building shall be occupied solely by Borrower. Any consent which Lender may, in its discretion, give hereunder to further leasing, rental, or subletting of the Project Building shall be subject to such conditions and terms as Lender may reasonably impose. Any lease, rental or subletting of the Project Building or any part thereof shall be subject to each of the following conditions:

(a) No lease, rental or subletting of the Project Building or any part thereof shall relieve Borrower from primary liability for any obligations hereunder, and Borrower shall continue to remain primarily liable for payment of the amounts specified in Section 4.2 hereof and for performance and observance of the other agree-

ments on its part herein provided to be performed and observed by Borrower to the same extent as though no lease, rental or subletting had been made.

(b) Borrower shall, within thirty (30) days after entering into any lease or rental agreement for the Project Building or any part thereof, furnish or cause to be furnished to Issuer and Lender a true and complete copy of each lease or rental agreement.

Section 7.2. Release and Indemnification Covenants.

(a) Borrower shall and hereby agrees to indemnify and save Issuer and Lender harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Project during the Loan Term from (i) any condition of the Project, (ii) any breach or default on the part of Borrower in the performance of any of its obligations under this Agreement and the Mortgage, (iii) any act or negligence of Borrower or of any of its agents, contractors, servants, employees or licensees or (iv) any act or negligence of any assignee or lessee of Borrower or of any agents, contractors, servants, employees or licensees of any assignee or lessee of Borrower. Borrower shall indemnify and save Issuer and Lender harmless from any such claim arising as aforesaid from (i), (ii), (iii) or (iv) above, or in connection with any action or proceeding brought thereon, and upon notice from Issuer or Lender, Borrower shall defend them or either of them in any such action or proceeding.

(b) Notwithstanding the fact that it is the intention of the parties that Issuer shall not incur pecuniary liability by reason of the terms of this Agreement, or the undertakings required of Issuer hereunder by reason of the issuance of the Bond, the performance of any act required of Issuer by this Agreement, or the performance of any act requested of Issuer by Borrower, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing; nevertheless, if Issuer should incur any such pecuniary liability, then in such event Borrower shall indemnify and hold Issuer harmless against all claims by or on behalf of any

person, firm or corporation or other legal entity, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from Issuer, Borrower shall defend Issuer in any such action or proceeding.

Section 7.3. References to Bond Ineffective After Bond Paid. Upon payment in full of the Bond and all fees and charges of Lender owed under the terms of the Commitment or the Mortgage, all references in this Agreement to the Bond and Lender shall be ineffective and Lender shall not thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested.

Section 7.4. Issuer to Grant Security Interest to Lender. The parties hereto agree that pursuant to the Assignment, Issuer shall assign to Lender in order to secure payment of the Bond all of Issuer's right, title and interest in this Agreement except Issuer's rights under Sections 4.2(c), 7.2 and 8.4 hereof.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The following shall be "events of default" under this Agreement, the Mortgage and the Assignment of Rents and the terms "event of default" and "default" shall mean, whenever they are used in this Agreement, the Mortgage and the Assignment of Rents, any one or more of the following events:

(a) Failure by Borrower to pay, when due, the amounts required to be paid under Section 4.2(a), (b) or (d) hereof at the time specified therein, or failure to pay, when due, amounts payable to Lender under the Agreement, the Mortgage or the Assignment of Rents.

(b) Failure by Borrower to observe and perform any covenant, condition or agreement in this Agreement, the Mortgage or the Assignment of Rents on its part to be observed or performed, other than as referred to in Section 8.1(a) above, for a period of thirty days after written notice, specifying such failure and requesting that it be remedied, shall have been given to Borrower

by Issuer or Lender, unless Issuer and Lender shall agree in writing to an extension of such time, prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Issuer and Lender will not unreasonably withhold their consent to an extension of such time not exceeding an additional 60 days if corrective action is instituted by Borrower within the applicable period and diligently pursued until the default is corrected.

(c) Borrower is generally not paying its debts as such debts become due, and Borrower continues generally not paying its debts as such debts become due for a period of five days after notice from Lender.

(d) The filing by Borrower of a voluntary petition in bankruptcy, or failure by Borrower to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of Borrower to carry on its operations at the Project, or adjudication of Borrower as a bankrupt, or assignment by Borrower for the benefit of creditors, or the entry by Borrower into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Borrower in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

(e) The placing of any of Borrower's property under the control of or in the custody of any court, or the levy upon or sale of such property in a judicial proceeding to pay creditors' claims, or the abandonment of such property.

(f) Any event of default set forth in the Mortgage or the Assignment of Rents.

(g) If any representation, warranty or covenant, whether orally made or contained herein, in the Mortgage, the Assignment of Rents, the application made by Borrower to Lender in connection with this transaction or in the other instruments made by Borrower pertaining to this transaction, including but not limited to Borrower's closing affidavit and the Inducement Letter to

Issuer and Lender, proves untrue or misleading in any material respect or be breached.

(n) Subject to the provisions of Section 3 of the Mortgage, the institution of any proceedings to enforce or establish any lien or other charge upon the Project or any part thereof other than the Mortgage or the Assignment of Rents.

The foregoing provisions of subsection (b) of this Section are subject to the following limitations: if by reason of force majeure Borrower is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Borrower contained in Article IV hereof, Borrower shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies, or officials, or of any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Borrower; provided that in no event shall the unavailability of funds constitute force majeure. Borrower agrees, however, to remedy with all reasonable dispatch (but in no event longer than four calendar months) the cause or causes preventing Borrower from carrying out its agreement, provided that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of Borrower and Borrower shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Borrower unfavorable to Borrower.

In the event the obligations of Borrower herein are guaranteed by any person or other entity, each and all of the foregoing events of default shall be applicable to any such guarantor and any such default by or pertaining to such guarantor shall constitute an event of default hereunder. For this purpose, wherever the term "Borrower" appears in the foregoing descriptions of events of default, the term "Borrower" shall be deemed to also include and mean any such

guarantor. It is also expressly understood that if any such guarantor shall sell, transfer, or encumber all or substantially all of his assets or any part of such assets so as to reduce such guarantor's net worth in assets subject to execution for satisfaction of creditors' claims, any such sale, transfer or encumbering shall constitute an event of default hereunder.

Section 8.2. Remedies on Default. Whenever any event of default referred to in Section 8.1 hereof shall have happened and be continuing, Lender, or Issuer with the written consent of Lender, may take one or any combination of the following remedial steps:

(a) By written notice to Borrower, declare an amount equal to all amounts then due and payable on the Bond, including principal, premium and interest (determined in accordance with the Bond), whether by acceleration of maturity (as provided in the Bond and the Bond Ordinance) or otherwise, to be immediately due and payable as liquidated damages and not as a penalty, whereupon the same shall become immediately due and payable in full; provided that such acceleration by Lender shall have no effect on the lien of the Mortgage or the security provided under the Assignment of Rents or the priority of such instruments or the rights of Lender hereunder and under the Mortgage and the Assignment of Rents;

(b) Have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of Borrower during regular business hours of Borrower if reasonably necessary in the opinion of Lender;

(c) Have all rights granted by the Mortgage, including the right to immediately foreclose on the lien and security interest of the Mortgage;

(d) Have all rights granted by the Assignment of Rents; or

(e) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement

or covenant of Borrower under this Agreement, the Mortgage and the Assignment of Rents.

Any amounts collected pursuant to action taken under this Section 8.2 shall be applied in accordance with the provisions of the Bond and the Bond Ordinance.

Section 8.3. No Remedy Exclusive. No remedy herein or in the Mortgage or the Assignment of Rents conferred upon or reserved to Issuer or Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Mortgage and the Assignment of Rents or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given Issuer hereunder shall also extend to Lender, and Lender, subject to the provisions of the Bond and the Bond Ordinance, shall be entitled to the benefit of all covenants and agreements herein contained.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event Borrower should default under any of the provisions of this Agreement, the Mortgage or the Assignment of Rents or otherwise be in default thereunder and Issuer or Lender should employ attorneys or incur other expenses for the collection of payments required hereunder or the enforcement of performance or observance of any obligation or agreement on the part of Borrower contained in the Mortgage, the Assignment of Rents or herein, Borrower agrees that it will on demand therefor pay to Issuer and Lender the reasonable fee of such attorneys and such other expenses so incurred by Issuer and Lender together with interest thereon at the rate of interest provided in Section 3 of the Mortgage. The Mortgage and the Assignment of Rents shall secure such attorney fees, other expenses and interest thereon.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived

by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX

PREPAYMENT OF LOAN

Section 9.1. Option to Prepay. Borrower shall have, and is hereby granted, the option to prepay the loan in whole or in part in multiples of $1,000, and if in whole, to terminate the Loan Term, on any payment date, (i) by paying to Lender an amount which will be sufficient to pay and redeem the outstanding principal amount of the Bond or such portion thereof as Borrower desires to prepay in accordance with the provisions of the Bond and the Bond Ordinance (including, without limiting the generality of the foregoing, principal of and premium, if any, and interest to the applicable redemption date, expenses of redemption and Issuer's and Lender's fees and expenses), and (ii) by giving Issuer and Lender not less than 60 days' notice in writing of such prepayment.

Section 9.2. Prepayment Upon Occurrence of Damage, Destruction or Condemnation. In the event of damage, destruction to or condemnation of the Project and the election of Lender to apply the Proceeds to redemption of the Bond pursuant to Section 16(c)(ii) of the Mortgage, the amounts payable hereunder shall be deemed to be prepaid to the extent of such redemption. In the event the Proceeds are not sufficient to redeem the Bond, Borrower shall promptly remit to Lender an amount which taken together with the Proceeds aggregate the sum necessary to fully redeem the Bond, and to pay in full the indebtedness secured by the Mortgage.

ARTICLE X

MISCELLANEOUS

Section 10.1. Loan Term. The term of this Agreement shall remain in full force and effect from the date hereof until such time as the Bond shall have been fully paid, and the fees and expenses of Issuer and Lender shall have been fully paid.

Section 10.2. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows: if to Issuer, City County Building, Fort Wayne, Indiana 46802, Attention: City Clerk; if to Borrower, 3342 Mallard Cove Lane, Fort Wayne, Indiana 46804; and if to Lender, 4036 Coldwater Road, Fort Wayne, Indiana 46805. A duplicate copy of each notice, certificate or other communication given hereunder by Issuer or Borrower shall also be given to Lender. Issuer, Borrower and Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.3. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Issuer, Borrower and their respective successors, survivors, representatives and assigns, subject, however, to the limitations contained in Sections 2.2(b) and 7.3 hereof.

Section 10.4. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.5. Amendments, Changes and Modifications. Subsequent to the issuance of Bond and prior to its payment in full, and except as otherwise herein expressly provided, this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of Lender.

Section 10.6. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.7. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.8. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

IN WITNESS WHEREOF, Issuer has caused this Agreement to be executed in its corporate name and with its official seal hereunto affixed and attested by its duly authorized officers. Borrower has duly executed this Agreement. All of the above occurred as of the date first above written.

[SEAL]

CITY OF FORT WAYNE, INDIANA

Attest:

By_____
Mayor

By_____
City Clerk

E. DAVID FREEMAN AND EVELYN B. FREEMAN

Witness:

_____
E. David Freeman

_____

_____
Evelyn B. Freeman

Witness:

_____

STATE OF INDIANA)
) ss.
COUNTY OF ALLEN)

Before me _____ this _____ day of _____, 1980, personally appeared THE CITY OF FORT WAYNE, INDIANA by _____ and _____, its Mayor and City Clerk, respectively, and acknowledged the execution of the witnin Loan Agreement.

_____
Notary Public, residing in
_____ County

My Commission Expires: _____

STATE OF INDIANA)
) ss.
COUNTY OF ALLEN)

Before me _____ this _____ day of February, 1981, E. David Freeman and Evelyn B. Freeman acknowledged the execution of the within Loan Agreement.

_____
Notary Public, residing in
_____ County

My Commission Expires: _____

EXHIBIT A

EXHIBIT B

DRAFT
KR&H
1/19/81

CITY OF FORT WAYNE, INDIANA

TO

AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION,
OF FORT WAYNE

ASSIGNMENT OF LOAN AGREEMENT

Dated as of February 12, 1981

ASSIGNMENT OF LOAN AGREEMENT

THIS ASSIGNMENT OF LOAN AGREEMENT, dated as of February 12, 1981 between the City of Fort Wayne, Indiana, a municipal corporation and political subdivision duly organized and existing within the State of Indiana under the Constitution and laws of the State of Indiana, and American Federal Savings & Loan Association, of Fort Wayne, a federally chartered savings and loan association chartered under the laws of the United States.

W I T N E S S E T H :

WHEREAS, pursuant to and in accordance with the provisions of I.C. 18-6-4.5-1 et seq., as amended (the "Act"), by written ordinance of the Common Council of the City of Fort Wayne, Indiana, and in furtherance of the purposes of the Act, the City of Fort Wayne, Indiana ("Issuer") proposes to finance the acquisition and equipping of land and certain office facilities to be located within the boundaries of Allen County, Indiana (which land and office facilities are hereinafter referred to as the "Project"), to be acquired and owned by E. David Freeman and Evelyn B. Freeman ("Borrower"), and Issuer proposes to finance the cost of acquiring and equipping the Project by the issuance of $66,700 aggregate principal amount of its Industrial Development Revenue Bond (Freeman Project) Series 1981A (the "Bond");

WHEREAS, Issuer has undertaken to finance the acquisition and equipping of the Project by loaning the proceeds from the sale of the Bond to Borrower pursuant to the provisions of a Loan Agreement (the "Loan Agreement"), between Issuer and Borrower, dated as of even date herewith, with loan payments sufficient to pay the principal of and premium, if any, and interest on the Bond and related expenses;

WHEREAS, pursuant to an Offer to Purchase dated February 10, 1980, American Federal Savings & Loan Association, of Fort Wayne ("Lender") has agreed to purchase the Bond from Issuer;

NOW, THEREFORE, for and in consideration of the premises, the issuance of the Bond by Issuer and the purchase of the Bond by Lender, in order to secure payment of principal of, premium, if any, and interest on the Bond according to its tenor and effect and to secure the performance and ob-

servance by Issuer of all the covenants expressed or implied in the Bond and the Bond Ordinance, Issuer does hereby assign all of its right, title and interest in, and grant a security interest in, the following to Lender, and its successors and assigns forever, for the securing of the performance of the obligations of Issuer in the Bond and the Bond Ordinance:

GRANTING CLAUSE FIRST

The Loan Agreement, including all extensions and renewals of the term thereof, if any, together with all right, title and interest of Issuer pursuant to the Loan Agreement, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Loan Agreement (except for amounts payable to Issuer under Sections 4.2(c), 7.2, 8.2 and 8.4 thereof), to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which Issuer under the Loan Agreement is or may become entitled to.

GRANTING CLAUSE SECOND

All moneys and securities from time to time held by Lender or its assigns under the terms of this Assignment, except for moneys deposited with or paid to Lender or its assigns for the redemption of the Bond, notice of the redemption of which has been duly given.

TO HAVE AND TO HOLD all and singular the secured property, whether now owned or hereafter acquired, unto Lender and its respective successors and assigns forever;

PROVIDED, HOWEVER, that if Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of and premium, if any, and interest on the Bond due or to become due thereon, at the times and in the manner mentioned in the Bond according to the true intent and meaning thereof, and shall cause the payments to be made on the Bond as required under the Bond Ordinance, and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of the Bond and the Bond Ordinance, and shall pay or cause to be paid to Lender or its assigns all sums of money due or to become due

to it in accordance with the terms and provisions of the Bond and the Bond Ordinance, then upon the final payment thereof this Assignment and the rights hereby granted shall cease, determine and be void; otherwise this Assignment to be and remain in full force and effect.

MOREOVER, it is expressly declared that all property, rights and interests, including, without limitation, the amounts payable under the Loan Agreement and any other amounts hereby assigned and pledged, are to be dealt with and disposed of subject to the terms and conditions as herein expressed, and Issuer and Lender do hereby agree and covenant as follows:

1. Rights Under Loan Agreement. The Loan Agreement, a duly executed counterpart of which has been filed with Lender, sets forth certain of the covenants and obligations of Issuer and Borrower, including provisions that subsequent to the issuance of the Bond and prior to its payment in full the Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of Lender, and reference is hereby made to the same for a detailed statement of said covenants and obligations of Borrower thereunder, and Issuer agrees that Lender, and its assigns, in its name or in the name of Issuer may enforce all rights of Issuer and all obligations of Borrower under and pursuant to the Loan Agreement for and on its own behalf as a holder of the Bond, whether or not Issuer is in default under the terms of the Bond or the Bond Ordinance.

2. Source of Payment of Bond. The Bond is not a general obligation of Issuer but is a limited obligation payable solely from amounts derived from the Loan Agreement and as authorized by the Act.

The payments provided in Section 4.2(a) of the Loan Agreement are to be remitted directly to Lender for the account of Issuer. Such payments, which are equal in amount to the payments of the principal of and premium, if any, and interest on the Bond, are pledged to such payment.

3. Additional Amounts Payable Under the Loan Agreement. Pursuant to Section 4.2(d) of the Loan Agreement, Borrower has agreed to pay the fees and expenses of Lender and such payments are to be remitted directly to Lender.

4. Applicable Provisions of Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Indiana.

IN WITNESS WHEREOF, Issuer has caused these presents to be executed in its corporate name, and with its official seal hereunto affixed and attested all by its duly authorized officers, Lender has caused these presents to be executed in its corporate name with its corporate seal hereunto affixed and attested all by its duly authorized officers.

[SEAL] CITY OF FORT WAYNE, INDIANA

Attest:

By_____
Mayor

By_____
City Clerk

[SEAL] AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION, OF FORT WAYNE

Attest:

By_____
Authorized Officer

By_____

STATE OF INDIANA]
] ss.
COUNTY OF ALLEN]

Before me _____ this ____ day of February, 1981, personally appeared THE CITY OF FORT WAYNE, INDIANA by _____ and _____, its Mayor and City Clerk, respectively, and acknowledged the execution of the within Assignment of Loan Agreement.

_____
Notary Public, residing in _____ County

My Commission expires: _____

STATE OF INDIANA]
] ss.
COUNTY OF ALLEN]

Before me _____ this ____ day of February, 1981, personally appeared AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION, OF FORT WAYNE by _____ and _____, its _____ and _____, respectively, and acknowledged the execution of the within Assignment of Loan Agreement.

_____
Notary Public, residing in
_____ County

My Commission expires: _____

DRAFT
KR&H
1/19/81

E. DAVID FREEMAN AND EVELYN B. FREEMAN
(MORTGAGOR)

AMERICAN FEDERAL SAVINGS & LOAN
ASSOCIATION, OF FORT WAYNE
(Mortgagee)

MORTGAGE AND SECURITY AGREEMENT

Dated as of February 12, 1981

Industrial Development Revenue Bond
(Freeman Project)
Series 1981(A)

This instrument was prepared by:

Kutak Rock & Huie
The Omaha Building
1650 Farnam Street
Omaha, Nebraska 68102

THIS MORTGAGE AND SECURITY AGREEMENT dated as of February 12, 1981, between American Federal Savings & Loan Association, of Fort Wayne, a federally chartered savings and loan association chartered under the laws of the United States ("Mortgagee"), and E. David Freeman and Evelyn B. Freeman ("Mortgagor").

W I T N E S S E T H :

WHEREAS, the City of Fort Wayne, Indiana ("Issuer"), a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Indiana, pursuant to the terms of the Bond Ordinance passed by its Common Council on February 10, 1981 (the "Bond Ordinance"), has issued its Industrial Development Revenue Bond (Freeman Project) Series 1981(A) (the "Bond") in the aggregate principal amount of $66,700 which Bond together with interest as therein provided is payable in full on March 1, 1991; and

WHEREAS, the proceeds from the sale of the Bond are to be loaned by Issuer to Mortgagor to finance the acquisition and equipping of land and an office building located within the corporate boundaries of Allen County, Indiana pursuant to a Loan Agreement (the "Loan Agreement") dated as of even date herewith, between Issuer and Mortgagor (a copy of which Loan Agreement is attached hereto as Exhibit C and the terms of which are incorporated herein by reference); and

WHEREAS, Mortgagee has purchased the Bond pursuant to the terms and provisions of an Offer to Purchase Agreement dated February 10, 1981 between Mortgagee and the City of Fort Wayne, Indiana (the "Offer to Purchase"), and the right of Issuer under the Loan Agreement have been assigned by it to Mortgagee pursuant to the Assignment of Loan Agreement dated the date hereof (the "Assignment");

NOW, THEREFORE, for and in consideration of the purchase of the Bond by Mortgagee and the loan of the proceeds of the Bond by Issuer to Mortgagor, the receipt of which is hereby acknowledged, Mortgagor does by these presents GRANT, BARGAIN, SELL, CONVEY, MORTGAGE, WARRANT, GRANT A SECURITY INTEREST IN AND PLEDGE unto Mortgagee, its successors and assigns, forever, the real estate situated in Allen County, State of Indiana, described in Exhibit A (the "Project Site"):

TOGETHER with all buildings, improvements, appurtenances, hereditaments, rights, privileges, fixtures and other property, real and personal, which is now or may hereafter be erected, installed or situated on or in such real estate whether attached or detached, and all of which are declared to be a part of the Project Site and subject to the lien hereof, and the equipment and personal property, if any, which is now, or may hereafter be, located thereon, all of which is described in Exhibit B attached hereto and any substitutions, replacements and additions thereto as described below (the "Project Building"); and

TOGETHER with all of the easements, servient estates appurtenant thereto, rents, issues, uses, income, profits, whether under leases or tenancies now existing or hereafter created, and right to possession of the Mortgaged Property, and any other claim at law or in equity, as well as any after acquired property (which properties together with the Project Site and the Project Building are hereinafter collectively referred to as the "Mortgaged Property");

TO HAVE AND TO HOLD the same unto Mortgagee, its successors and assigns, forever free from all rights and benefits under the homestead, valuation and exemption laws of any State and of the U.S. Bankruptcy Act or other Federal laws, which said rights and benefits said Mortgagor does hereby release and waive to the fullest extent that it may lawfully do so.

Mortgagor further covenants and agrees that he shall not make, suffer or permit any unlawful use of or nuisance to exist on the Mortgaged Property nor impair its value by any act or omission to act and that he shall comply with all requirements of law and all restrictive covenants known or of record with respect to the Mortgaged Property and use thereof.

This Mortgage is given to secure the following:

1. The prompt payment when due of all moneys payable under the Loan Agreement and the prompt payment when due of all the principal of, premium, if any, and interest on the Bond;

2. The prompt payment upon demand of all amounts which Mortgagee in its sole discretion may advance and

pay, and all obligations and expenses it may incur under the terms of this Mortgage and Security Agreement or the Assignment of Rents and Leases;

3. The faithful performance and observance of all the covenants and agreements herein contained and contained in the Loan Agreement, Assignment of Rents and Leases and any other agreements securing, evidencing, or pertaining to the indebtedness hereby secured now or hereafter given in connection with the purchase of the Bond by Mortgagee. (All of which other agreements, including the Assignment of Rents and Leases, securing, evidencing or pertaining to the indebtedness hereby secured are hereinafter referred to as "Other Securing Agreements" or "Securing Agreements.");

4. The prompt payment when due of all moneys payable by Mortgagor under this Mortgage and under the Assignment of Rents and Leases dated as of even date herewith between Mortgagor as Assignor and Mortgagee as Assignee; and

5. All extensions, renewals and modifications of the indebtedness and the obligations hereby secured.

Mortgagor hereby covenants and warrants to Mortgagee, its successors and assigns, that Mortgagor holds the Mortgaged Property by title in fee simple; that Mortgagor has good and lawful authority to grant, bargain, sell, convey and mortgage the same; that except for Permitted Encumbrances, as defined in the Loan Agreement, the lien created by this instrument is the sole and exclusive first and prior lien on the Mortgaged Property; that there are no existing liens or encumbrances; that except for Permitted Encumbrances, Mortgagor shall keep the Mortgaged Property free and clear of all mortgage liens, mechanic's liens, or other liens, encumbrances, claims of liens or encumbrances and security interests of every kind whatsoever and that Mortgagor specifically shall not (except for permitted leasing pursuant to the Loan Agreement and otherwise as permitted by Lender) make any conveyance or other transfer of the Mortgaged Property or any interest therein nor cause or permit legal or equitable title thereto to be vested in any other person or persons. Mortgagor covenants with Mortgagee, its successors and assigns, to warrant and defend the Mortgaged Property against the lawful claims of all persons whomsoever.

Mortgagor further agrees to pay, promptly when due, and without relief from valuation or appraisement laws, and with attorney's fees, the indebtedness hereby secured. In the event the ownership of the Mortgaged Property or any part thereof becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage, and the indebtedness secured hereby, in the same manner as with Mortgagor, including, but not limited to, extensions of time of payment, forebearances to sue, and modification in the terms of the Bond, this Mortgage or other security instruments, without in any manner whatsoever vitiating, releasing, discharging, diminishing or affecting the personal liability of Mortgagor or any other person or corporation upon this Mortgage, or the indebtedness hereby secured or the lien hereof or of other security. No conveyance of the Mortgaged Property, or consent of Mortgagee to such conveyance, or acceptance by Mortgagee of Mortgagor's immediate or remote successor or successors in interest as obligors under the Mortgage or indebtedness hereby secured, or dealings between Mortgagee and such successors, nor any act of Mortgagee whatsoever, shall release, discharge or diminish in any manner at all Mortgagor's personal liability, constitute a novation, nor be construed as Mortgagee's consent to nor acceptance of Mortgagor as a surety hereon, but Mortgagor shall at all times continue personally and primarily liable on the indebtedness secured hereby until all said indebtedness has been fully discharged or Mortgagor has been expressly released by an instrument in writing duly executed by Mortgagee. Mortgagor further waives all defenses and rights given to sureties at law or in equity other than complete and actual satisfaction of all obligations and indebtedness secured hereby; provided, however, that the personal liability, if any, to Mortgagor of his successor or successors in interest or of other obligors shall not be affected, diminished or prejudiced hereby.

PROVIDED ALWAYS, that if the principal of, premium and late charges, if any, and interest on the Bond shall be paid at the times and in the manner provided in the Bond and if all other sums secured hereby and/or secured by or payable under the Loan Agreement or any securing agreement given in connection with the purchase of the Bond by Mortgagee shall be paid, and if Issuer and Mortgagor shall well and truly cause to be kept, performed and observed all of their respec-

tive covenants and conditions under the terms of the Bond, the Bond Ordinance, the Loan Agreement, this Mortgage and any Securing Agreements and shall pay or cause to be paid to Mortgagee all sums of money due or to become due to it in accordance with the terms and provisions of the Bond, the Bond Ordinance, the Loan Agreement, this Mortgage and Securing Agreements, then upon the final payment thereof the mortgage lien and security interest rights hereby granted shall cease, determine and be void and Mortgagor shall be entitled to a release of the lien of this Mortgage; otherwise this Mortgage shall be and remain in full force and effect.

MOREOVER, Mortgagor covenants and agrees with Mortgagee, its successors and assigns, as follows:

1. Amounts Payable. Mortgagor hereby covenants and agrees to repay the loan of the Issuer, as provided and required in Section 4.2 and other sections of the Loan Agreement. The obligations of Mortgagor to make the payments required in Section 4.2 and other sections of the Loan Agreement and to perform and observe the other agreements contained herein and in the Loan Agreement shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by Issuer or Mortgagee of any obligation to Mortgagor, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to Mortgagor by Issuer or Mortgagee and until such time as the principal of and premium, if any, and interest on the Bond shall have been fully paid and all other sums secured hereby and/or secured or evidenced by the Loan Agreement or any securing agreement given in connection with the purchase of the Bond by Mortgagee shall be paid.

2. Subrogation. Mortgagee shall be subrogated to all rights and liens of all mortgagees, lienholders, owners and others paid from the proceeds of the sale of the Bond or paid from other moneys advanced by Mortgagee.

3. Maintenance and Modification of Project by Mortgagor. Mortgagor agrees that Mortgagor will, at Mortgagor's own expense, maintain, preserve and keep the Mortgaged Property or cause the Mortgaged Property to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition,

without waste and that Mortgagor will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Neither Issuer nor Mortgagee shall have any responsibility in any of these matters or for the making of improvements or additions to the Mortgaged Property.

Mortgagor shall not remodel the Mortgaged Property or make substitutions, additions, modifications or improvements to the Mortgaged Property unless Mortgagee shall have first consented thereto in writing and particularly describing the remodeling, substitutions, additions, modifications or improvements to be made by Mortgagor; any such consent which may be given by Mortgagee shall be subject to all of the terms and conditions hereafter contained in this Section 3 hereof and also subject to such other terms and conditions as Mortgagee may reasonably impose. The cost of any such permitted remodeling, substitutions, additions, modifications and improvements shall be promptly paid by Mortgagor and the same shall be included under the terms of this Mortgage as part of the Mortgaged Property; provided, however, that such permitted remodeling, substitutions, additions, modifications and improvements shall not in any way damage the Mortgaged Property; and provided that the Mortgaged Property, as remodeled, improved or altered, upon completion of such remodeling, substitutions, additions, modifications and improvements made pursuant to this Section 3 shall be of a value not less than the value of the Mortgaged Property immediately prior to the remodeling or the making of substitutions, additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section 3 may be disposed of by Mortgagor in any manner and in the sole discretion of Mortgagor. Mortgagor will not permit any mechanic's or other lien to be established or remain against the Mortgaged Property for labor or materials furnished in connection with any remodeling, substitutions, additions, modifications, improvements, repairs, renewals or replacements so made by Mortgagor and shall promptly pay all such liens and cause the same to be released and discharged of record; provided, that if Mortgagor shall first notify, in writing, Mortgagee of Mortgagor's intention so to do and shall deposit with Mortgagee in cash such amount of money as Mortgagee may, in its sole discretion, require for the full payment and discharge of all such mechanics' and other liens including all costs and

expenses associated therewith and any judgment which may be recovered thereon, Mortgagor may in good faith contest any mechanic's or other lien filed or established against the Mortgaged Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom.

4. Taxes, Assessments, Other Governmental Charges and Utility Charges. Mortgagor will pay as the same respectively become due, all taxes, assessments, and governmental charges of any kind whatsoever that may at any time be assessed or levied against or with respect to the Mortgaged Property, or any building, machinery, equipment or other property acquired by Mortgagor in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, the Mortgaged Property (including without limiting the generality of the foregoing, any taxes levied upon the Mortgaged Property which, if not paid, will become a charge on the receipts from the Mortgaged Property prior to or on a parity with the charge of this Mortgage, or any interest therein or the revenues derived therefrom or hereunder, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Mortgaged Property and all assessments and charges made by any governmental body for public improvements that may be secured by a lien on the Mortgaged Property).

Mortgagor may, at Mortgagor's expense and in Mortgagor's name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom if Mortgagor shall have first deposited with Mortgagee in cash such amount as Mortgagee in its sole discretion may require. However, if Mortgagee shall notify Mortgagor that, in the opinion of its Counsel, by nonpayment of any such items the security afforded pursuant to the terms of the Mortgage will be materially endangered or the Mortgaged Property or any part thereof will be subject to loss or forfeiture, then all such taxes, assessments or charges shall be paid forthwith by Mortgagor. In the event that Mortgagor shall fail to pay any of the foregoing items required by this Section 4 to be paid by Mortgagor, Issuer or Mortgagee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by Issuer or Mortgagee shall

become an additional obligation of Mortgagor to the party making the advancement, which amounts, together with interest thereon at the lesser of the highest legal rate per annum permitted by law or five percent over the then applicable rate of the Bond per annum, Mortgagor agrees to pay on demand and all of said sums shall be secured by the Mortgage and the other Securing Agreements.

5. Provisions Respecting Insurance. Mortgagor agrees to furnish fire insurance with extended coverage endorsement and coverage against other hazards as from time to time requested by Mortgagee, covering the Mortgaged Property by means of policies issued by such reputable insurance companies duly qualified to do such business in the State of Indiana as shall be approved by Mortgagee with uniform standard coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at that time in use in the State of Indiana, in such amounts as are acceptable to Mortgagee. All of which insurance shall be continuously maintained and kept in force at all times by Mortgagor.

Any insurance policy issued pursuant to the preceding paragraph of this Section 5 shall contain a standard mortgagee clause (without contribution) in favor of Mortgagee and as shall be approved by Mortgagee. The Proceeds (as that term is defined in Article I of the Loan Agreement) of the insurance required in this Section 5 shall be applied as provided in Section 16 below.

6. Public Liability Insurance. Mortgagor agrees to carry comprehensive general public liability insurance with respect to the Mortgaged Property with one or more reputable insurance companies in minimum amounts of $500,000 for the death of or personal injury to one person and $1,000,000 for personal injury or death for each occurrence in connection with the Mortgaged Property and $500,000 for property damage for any occurrence in connection with the Mortgaged Property. Mortgagee shall be made an additional insured under such policy or policies. The insurance provided by this Section may be by blanket insurance policy or policies.

7. Workmen's Compensation, Builders' Risk and Business Interruption Coverage.

(a) Mortgagor shall maintain workmen's compensation coverage or cause the same to be maintained to the extent required by law.

(b) Upon written request of Mortgagee, Mortgagor shall maintain or cause to be maintained loss of rents or business interruption insurance with terms, limits of coverage and insurer approved by Mortgagee and naming Mortgagee as a coinsured.

8. Notice of Modification or Cancellation; Substitute Performance by Mortgagee or Protection of Mortgagee's Security.

(a) Each insurance policy provided for in Sections 5, 6 and 7 hereof shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it without first giving written notice thereof to Mortgagee at least fifteen days in advance of such cancellation or modification. All insurance policies issued pursuant to Sections 5, 6 or 7 hereof, or certificates evidencing such policies, shall be deposited with Mortgagee. Mortgagor shall not permit any insurance policy required by Sections 5, 6 or 7 hereof to be canceled or to expire unless in each instance new or replacement policies acceptable to Mortgagee, fully paid for, have been delivered to Mortgagee at least fifteen days prior to cancellation or expiration. The Mortgagee is authorized to collect all proceeds and claims under said insurance policies, execute and deliver on behalf of Mortgagor all necessary proof of loss, receipts, and releases required by the insurance companies and Mortgagor will sign on demand all receipts, proof of loss and releases required of him to be signed by Mortgagee for such purpose. In the event of foreclosure hereunder, all title and interest of the Mortgagor in and to all policies of insurance then in force upon the Mortgaged Property, and any refund of any premium therefor, shall pass to the purchaser at such foreclosure sale. Such policies shall provide that Mortgagee shall have the right to adjust and compromise in its discretion any and all claims made under the policies.

(b) Should Mortgagor fail to pay or perform when required hereunder any obligation of Mortgagor hereunder (including without limitation the obligations to maintain insurance, to keep the Mortgaged Property in good repair, to pay the taxes, assessments and governmental charges upon the Mortgaged Property, to keep the Mortgaged Property free of and to remove any lien or encumbrances thereon, except permitted encumbrances) Mortgagee may, but shall not be obligated to, without regard to the adequacy of its security and without prejudice to its right to declare a default hereunder, pay or perform the same without notice or demand to or upon Mortgagor. The payment by Mortgagee of any delinquent tax, assessment or governmental charge, or any lien or encumbrance not a Permitted Encumbrance or any insurance premium for insurance which Mortgagor is obligated to provide hereunder but which Mortgagee in good faith believes has not been supplied, or the making of such repairs and replacements as are necessary and providing for payment thereof, shall be conclusive between the parties as to the legality and amount so paid. Mortgagee may also do any act which it, in its discretion, deems necessary to protect the lien hereof. Mortgagee shall be subrogated to all rights, equities and liens discharged by any such expenditure. Amounts so paid pursuant to this Section 8, the cost of such performance, all costs and expenses incurred by Mortgagee in connection with such payment and performance including reasonable attorneys' fees and interest on all such amounts at the lesser of the highest rate permitted by law or a rate five percent above the rate provided at that time in the Bond from the date paid by Mortgagee until repaid to Mortgagee, shall be payable by Mortgagor to Mortgagee immediately upon notice to Mortgagor of the amount owing, without further demand, shall be secured by this Mortgage, and shall be added to the judgment in any suit, if any, brought by Mortgagee against Mortgagor hereon.

9. Escrow Payments. Mortgagor covenants and agrees to pay to Mortgagee on the first day of each month, in addition to the payments provided for under the terms of the Loan Agreement and the Bond: (i) one-twelfth of the anticipated annual taxes, assessments and public charges, general and special, levied and assessed against the Mortgaged Property as estimated by Mortgagee; and (ii) one-twelfth of the antic-

ipated annual premium on all insurance coverage to be provided pursuant to the terms of this Mortgage, or any other Securing Agreement, as estimated by Mortgagee. The amount of such deposit shall be adjusted by Mortgagee periodically so that sufficient sums will be available to pay all of the foregoing 30 days before the date on which such payments become due. If the amounts estimated by Mortgagee for the payment of said taxes, assessments, public charges, and insurance premiums are not sufficient to pay the same in full, then Mortgagor shall pay the difference to Mortgagee upon demand. Mortgagor agrees that Mortgagee shall not be required to pay any interest on said sums.

10. Additional Bonds and Loans. This Mortgage shall also secure all loans hereafter made by the then holder of the Bond secured hereby to the then owner of the Mortgaged Property, and any purchase by Mortgagee of any additional bonds issued by Issuer to finance any acquisition or construction in connection with the Mortgaged Property. Nothing herein contained shall imply any obligation on the part of any holder of the Bond to make any such loan or purchase any such additional bonds. Provided, however, that in order to be secured hereunder all such loans or additional bonds must specifically state that they are secured hereby.

11. Modification of Rights. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of the Bond, and without notice or consent: (a) release any person liable for the payment of all or any part of the indebtedness or for performance of any obligation; (b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof; (c) exercise or refrain from exercising or waive any right Mortgagee may have; (d) accept additional security of any kind; (e) release or otherwise deal with any right Mortgagee may have; (f) release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the Mortgaged Property hereof.

12. Compliance With Law. Mortgagor shall comply at all times with all federal and state laws, all municipal ordinances and all rules and regulations of any governmental entity having jurisdiction over the Mortgaged Property insofar as said laws, ordinances, rules and regulations pertain in any way to the Mortgaged Property and their use.

13. Lessees. Mortgagor hereby covenants that it will not assign, or attempt to assign, the rents, or any part thereof, from the Mortgaged Property, except pursuant to the Assignment of Rents and Leases dated as of even date herewith (the "Assignment of Rents"), between Mortgagor and Mortgagee.

14. Additional Securing Instruments.

(a) Mortgagor will execute and deliver to Mortgagee promptly upon demand such additional securing instruments as may be required by Mortgagee from time to time in form and substance satisfactory to Mortgagee covering any of the Mortgaged Property conveyed by this Mortgage, which shall evidence a continuing first mortgage lien and security interest and shall be additional security for Mortgagor's performance of all of the terms, covenants and conditions of this Mortgage and Security Agreement, the Bond secured hereby and any other securing agreements executed in connection with the purchase of the Bond by Mortgagee. Such instruments shall be recorded or filed and rerecorded or refiled at Mortgagor's expense. This Mortgage shall secure any further sums which may become due under any such additional securing instruments.

(b) Mortgagor will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Mortgaged Property or for carrying out the expressed intention of the Loan Agreement and this Mortgage.

15. Inspection of the Mortgaged Property. Mortgagor agrees that Mortgagee and its duly authorized agents shall have the right at all reasonable times to enter upon the

Mortgaged Property and to examine and inspect the Mortgaged Property. Mortgagor further agrees that Mortgagee and its duly authorized agents shall have the right of access to the Mortgaged Property for the proper maintenance of the Mortgaged Property in the event of failure by Mortgagor to perform its obligations under the Loan Agreement or this Mortgage. Mortgagee and its duly authorized agents shall also be permitted, at all reasonable times, to examine the books and records of Mortgagor with respect to the Mortgaged Property.

16. Damage, Destruction and Condemnation; Use of Proceeds.

(a) Any award of damages under condemnation or exercise of a power of eminent domain and any award for damages caused by public works or construction on or near the Mortgaged Property are hereby assigned to Mortgagee. In case the Mortgaged Property, or any part thereof, shall be taken by condemnation or power of eminent domain or the Mortgaged Property or the business conducted thereon is damaged by public works or construction on or near it, the Mortgagee is hereby empowered to collect and receive all compensation which may be paid for any property taken or for damages to any property not taken and all compensation which may be paid for damages incurred by reason of such public works or construction.

(b) If prior to full payment of the Bond and all other indebtedness secured hereby (i) the Mortgaged Property or any portion thereof is damaged or destroyed (in whole or in part) by fire or other casualty or condemnation or (ii) title to, or the temporary use of, the Mortgaged Property or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Mortgagor shall continue to be obligated to continue to pay the amounts specified in Section 4.2 and other sections of the Loan Agreement, and any other amounts payable hereunder.

(c) Mortgagor and Mortgagee will cause the Proceeds (as that term is defined in Article I of the Loan Agreement) of any insurance proceeds or condemnation

award resulting from any event described in Section 16(b) hereof to be deposited in a separate non-interest-bearing fund to be held by Mortgagee. All Proceeds so deposited shall be applied in either or both of the following ways as shall be elected by Mortgagee in its sole discretion:

(i) To the prompt repair, restoration, modification or improvement of the Mortgaged Property by Mortgagor, in such manner as shall be approved by Mortgagee, and in such event Mortgagee shall make payments from such separate fund under procedures satisfactory to Mortgagee for such purposes or to reimburse Mortgagor for costs paid by it in connection therewith. Any balance of the Proceeds remaining after such work has been completed may be retained by Mortgagee to be applied to the payment of principal of and premium, if any, interest on the Bond, and all other indebtedness secured hereby, or if the Bond and all other secured indebtedness has been fully paid, any balance remaining in such separate fund shall be paid to Mortgagor.

(ii) To prepayment of the loan and all other sums secured hereby and the redemption of the Bond in whole or in part on the next succeeding interest payment date; provided that no such election to redeem by Mortgagee shall be deemed to excuse Mortgagor from repairing, restoring, modifying and improving Mortgaged Property upon such conditions as Mortgagee shall approve.

(d) In the event Mortgagee has elected to apply the Proceeds in the manner set forth in 16(c)(i) above, and if the Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 16(c)(i) hereof, Mortgagor will nonetheless complete the work and will pay any cost in excess of the amount of Proceeds held by Mortgagee. Mortgagor agrees that if by reason of any such insufficiency of the Proceeds, Mortgagor shall make any payments pursuant to the provisions of this Section, Mortgagor shall not be entitled to any reimbursement therefor from Mortgagee, nor shall Mortgagor be entitled

to any diminution of the amounts payable under Section 4.2 or other sections of the Loan Agreement or payable hereunder.

17. Event of Default. The terms "event of default" and "default" shall mean, whenever they are used in this Mortgage, the occurrence of an event of default under Section 8.1 of the Loan Agreement, including, without limitation, a default in the performance or observance of any of the terms, covenants, conditions or provisions of this Mortgage, the Loan Agreement, the Bond, the Assignment of Rents, or any other Securing Agreement now or hereafter given in connection with the purchase of the Bond by Mortgagee.

18. Remedies. Time is of the essence hereof. Whenever any event of default referred to in Section 17 hereof shall have happened, Mortgagee shall have and be entitled to immediately exercise all rights and remedies granted in Section 8.2 of the Loan Agreement, and in addition, Mortgagee shall have and be entitled to forthwith exercise the following rights, without notice to or demand on Mortgagor:

(a) Mortgagee shall be entitled to the immediate possession of the Mortgaged Property, together with all rents, issues and profits to be derived therefrom until the indebtedness secured by this Mortgage is fully paid; provided, however, that Mortgagee shall, in no event, be liable for the failure to procure tenants, to collect rents or to prosecute actions to recover possession of the Mortgaged Property.

(b) Mortgagee shall be entitled to demand, and receive immediately from Mortgagor, all leases or agreements for occupancy of space in the Mortgaged Property, together with a separate and specific assignment of each of them to Mortgagee in form approved by Mortgagee; and Mortgagee, with or without such specific assignment, may take immediate possession and assume the management of the Mortgaged Property and have the right to and collect the rentals, issues, profits, and other income therefrom, execute all powers and authority reserved to the lessor under the lease terms, including any right or power therein to forfeit or cancel such lease, and modify the provisions of present leases and make new leases or rental contracts in the name of the owner of

the Mortgaged Property, or otherwise, all without waiving or curing any event of default; and all tenants and other occupants of the Mortgaged Property are hereby authorized and directed, upon demand, to pay to Mortgagee, or any person designated by it for that purpose, all amounts due or to become due from them under said leases and any extensions or renewals thereof or by reason of such occupancy.

(c) Mortgagee may from time to time waive its right hereunder to collect rents and other income, but any such waiver shall not prejudice Mortgagee's right to make such collections thereafter so long as and whenever an event of default exists. Mortgagee shall have the right, but shall not be required, to sue for collection of rents, possession of the Mortgaged Property or other remedy, but shall not be liable for failure to collect rents or other income and shall be held accountable for only such amounts as are actually received. Funds received by Mortgagee shall be applied at its discretion to expenses of collection including reasonable attorneys' fees, necessary repairs, taxes and insurance on the Mortgaged Property, and on account of the indebtedness hereby secured.

(d) Mortgagee shall have the right to immediately foreclose this Mortgage, and to apply the proceeds of such foreclosure sale toward the payment of the indebtedness secured hereby. In any foreclosure a sale may be made of the Mortgaged Property en masse without offering the several parts separately. The acceptance of one or more payments on the indebtedness, or any other sums secured by this Mortgage prior to the order of foreclosure sale, shall not constitute Mortgagee's waiver of its right to accelerate the maturity of the aforesaid indebtedness and all other sums secured hereby.

(e) Mortgagee, in exercising its rights hereunder, shall also have, without limitation, all of the rights and remedies provided by the Indiana Uniform Commercial Code including the right to proceed under the Uniform Commercial Code provisions governing default as to any fixtures, equipment and personal property which may be included in the Mortgaged Property separately from the

real estate included therein, or to proceed as to all of the Mortgaged Property in accordance with its rights and remedies in respect of the Mortgaged Property. If the Mortgagee should elect to proceed separately as to such fixtures, equipment, and personal property, the Mortgagor agrees to make such fixtures, equipment, and personal property available to Mortgagee at a place or places acceptable to the Mortgagee, and if any notification of intended disposition of any of such fixtures, equipment, and personal property is required by law, such notification shall be deemed reasonable and properly given if mailed at least ten (10) days before such disposition in the manner below provided.

(f) Mortgagee shall be entitled to the appointment of a receiver for the Mortgaged Property.

(g) Mortgagee snall have all other rights and remedies that law and equity provide.

The taking of possession of the Mortgaged Property or the foreclosure of this Mortgage shall not constitute a waiver by Mortgagee of any event of default hereunder or of its right to accelerate the maturity of the aforesaid indebtedness.

19. No Remedy or Security Exclusive.

(a) No remedy conferred upon or reserved to Mortgagee in this Mortgage, the Loan Agreement or any other Securing Agreement given in connection with the purchase of the Bond by Mortgagee, is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other such remedy given hereunder, or now or hereafter existing, at law or in equity. Each and every such remedy granted to Mortgagee shall be exercisable by Mortgagee at its option without any obligation of Mortgagee to give notice to any party except as may be expressly required and without regard to the adequacy or inadequacy of any security for the mortgage indebtedness, or the solvency or insolvency of Mortgagor. No delay or omission of Mortgagee to exercise any right or power accruing upon any event of default shall impair any such right and power, or shall be construed to be a waiver of any such event of default, or an acquiescence

therein. Every power and remedy given by this Mortgage may be exercised from time to time as often as may be deemed expedient to Mortgagee.

(b) If the sums secured by this Mortgage are now or hereafter further secured by security agreements, pledges, contracts of guaranty or other security, including without limitation the Assignment of Rents, Mortgagee may, at its option, exhaust any one or more of said securities and the security hereunder, either concurrently or independently, and in such order as Mortgagee shall determine.

20. Continuation of Abstract or Endorsement of Title Insurance. In the event of any default by Mortgagor, Mortgagee may, at the expense of Mortgagor, procure an abstract of title, continuation thereof, or an endorsement of the policy of title insurance issued in connection with the execution of the Loan Agreement, for the Mortgaged Property, with interest upon such expense at the lesser of the highest legal rate per annum permitted by law or five percent over the then applicable rate of the Bond per annum, such expense with interest thereon shall be payable by Mortgagor to Mortgagee upon demand and shall be secured hereby.

21. Personal Property Security Interest. This Mortgage shall cover all property now or hereafter affixed to or located upon the Mortgaged Property, which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Mortgaged Property, and all articles of personal property and all materials delivered to the Mortgaged Property for incorporation or use in any construction being conducted thereon in which a security interest may be taken under the Indiana Uniform Commercial Code, including but not limited to general intangibles, contract rights, furniture, furnishings, equipment, machinery, maintenance equipment and all materials and supplies delivered to the Mortgaged Property for incorporation into or use in connection with any construction being conducted thereon. To the extent any property covered by this Mortgage consists of rights in action or personal property covered by the Indiana Uniform Commercial Code, this Mortgage constitutes a Security Agreement and is intended to create a security interest in such property in favor of Mortgagee. This Mortgage shall be self-operative with respect to such property, but Mortgagor

agrees to execute and deliver on demand such Security Agreement, financing statement and other instruments as Mortgagee may request in order to impose the lien here or more specifically upon any of such property. This Mortgage shall be filed for record in the real estate records. If the lien of this Mortgage on any property be subject to a prior security agreement covering such property, then in the event of any default hereunder, all the right, title and interest of Mortgagor in and to any and all deposits thereon is hereby assigned to Mortgagee, together with the benefit of any payments now or hereafter made thereon. In any disposition, ten days' notice shall be commercially reasonable.

22. Uniform Commercial Code Security Interest and Financing Statement. This instrument is intended to be a security agreement pursuant to the Indiana Uniform Commercial Code covering any of the items or types of property included as part of the Mortgaged Property and that may be subject to a security interest pursuant to the Indiana Uniform Commercial Code, and the Mortgagor hereby grants the Mortgagee a security interest in such items or types of property. This Mortgage or a reproduction hereof, is sufficient as a financing statement and, as a financing statement, it covers goods which are or are to become Fixtures within the Mortgaged Property. In addition, Mortgagor will execute and deliver to the Mortgagee, upon Mortgagee's request, any financing statements or amendments thereof or continuation statements thereto that the Mortgagee may require to perfect a security interest in said items or types of property. The Mortgagor shall pay all costs of filing such instruments. The following information sets forth information required by the Indiana Uniform Commercial Code.

1.	Debtor (Last Name First):	E. David Freeman and Evelyn B. Freeman
	and address:	3342 Mallard Cove Lane Fort Wayne, Indiana 46804
2.	Secured Party and address:	American Federal Savings & Loan Association 4036 Coldwater Road Fort Wayne, Indiana 46805

3.	Maturity date (if any):	Five years (to be extended)
4.	This financing statement covers the following types (or items) of property:	Those items described as fixtures in this Mortgage and located on the real estate described in Exhibit A hereto.

23. Usury. Notwithstanding anything herein to the contrary never shall the interest rate herein on any sums to be paid hereunder be in excess of that which the recipient thereof is legally entitled to charge or collect.

24. Late Payment Charges. Should any payment secured hereby be not paid after the same becomes due and payable, it is recognized by Mortgagor that the Mortgagee will incur extra expenses for both the administrative cost of handling delinquent payments and the cost of funds incurred by Mortgagee after such due date as a result of not having received such payment when due. Because the exact amount of such extra expenses is impossible to ascertain, it is agreed that a charge of five percent of the amount of the delinquent payment would be a fair approximation of the administration expense so incurred by Mortgagee. Therefore, Mortgagor shall, in such event, without further notice, and without prejudice to the right of Mortgagee to collect any other amounts provided to be paid herein or by the Bond secured hereby, or to declare a default hereunder, pay to Mortgagee as Mortgagee's sole monetary recovery to cover such expenses incurred as a result of delinquent payments, a liquidated damages "late charge" of five percent of the amount of such delinquent payment.

25. Nonwaiver. The acceptance by Mortgagee of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums hereby secured or to declare a default as herein provided. The acceptance by Mortgagee of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon condition that it shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due, and Mortgagor's failure to pay said entire sum then due shall be and continue to be a default notwithstanding such acceptances of such amounts on account,

as aforesaid, and Mortgagee shall be at all times thereafter and until the entire sum then due shall have been paid and notwithstanding the acceptance by Mortgagee thereafter of further sums on account, or otherwise, entitled to exercise all rights in this instrument conferred upon it upon the occurrence of a default, and the right to proceed with a foreclosure of this Mortgage shall in no way be impaired whether any such amounts are received prior or subsequent to the commencement of a foreclosure proceeding.

26. Waiver of Statute of Limitations. The pleading of any statute of limitations as a defense to any obligations secured by this Mortgage is hereby waived to the full extent permitted by law.

27. Attorney's Fees. In case of any action or any proceedings to collect any sums payable under the Loan Agreement, the Bond, this Mortgage or any other Securing Agreement given in connection with the purchase of the Bond by Mortgagee, or to protect the lien of title herein of Mortgagee, or in any other case permitted by law in which attorneys' fees may be collected from Mortgagor or charged upon the Mortgaged Property, Mortgagor agrees to pay on demand all reasonable attorneys' fees incurred by Mortgagee and the payment of all such fees shall be secured hereby.

Mortgagee may employ counsel for advise or other legal service at Mortgagee's discretion in connection with any dispute as to the debt hereby secured or the lien of this Mortgage, or any litigation to which Mortgagee voluntarily or involuntarily becomes a party relating to the lien of this Mortgage or which may affect the title to the Mortgaged Property securing this indebtedness or which may affect said debt or lien and any reasonable attorney's fees so incurred shall be added to and be a part of the debt hereby secured. Any costs and expenses reasonably incurred in the foreclosure of this Mortgage and sale of the property securing the same and in connection with any other dispute or litigation affecting said debt or lien, including attorney's fees and reasonably estimated amounts to conclude the transaction, shall be added to and be a part of the debt hereby secured. All such amounts shall be payable by Mortgagor to Mortgagee on demand, and if not paid shall be included in any decree or judgment as a part of said mortgage debt and shall include interest at the rate provided in Section 4 hereof. Without

in any way limiting the generality or scope of the terms "litigation" and "dispute" used in this Section 27, it is expressly understood and agreed that such terms shall each be deemed to include any bankruptcy or insolvency petitions and/or proceedings by or against Mortgagor or any Guarantor hereof or affecting in any way the Mortgaged Property.

28. Controlling Law. This Mortgage, the rights of Mortgagee hereunder and under the Bond shall be construed and enforced according to the laws of the State of Indiana.

29. Definition of Terms. Unless otherwise expressly stated, the word "Mortgagor" as used herein includes successors in interest of Mortgagor and the word "Mortgagee" as used herein includes successors in interest of Mortgagee, including any assignee of the Bond. Whenever used herein, the singular number shall include the plural, the plural shall include the singular, any gender used shall be applicable to all genders and the term "Mortgagee" shall include the payee of the Bond hereby secured or any holder, transferree or endorsee thereof, whether by operation of law or otherwise.

30. Severability. In the event any provision of this Mortgage shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, Mortgagor has caused this instrument to be duly executed, and Mortgagee has evidenced its acceptance of this instrument by having caused this instrument to be duly executed in its name and attested, all by its duly authorized officers, all as of the date first above written.

Witness:

_____

E. David Freeman

_____

Witness:

_____

Evelyn B. Freeman

_____

(SEAL)

AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION, OF FORT WAYNE

Attest:

By_____

By_____
Authorized Officer

STATE OF INDIANA]
] SS.
COUNTY OF ALLEN]

Before me _____ this ____ day of February, 1981, E. David Freeman and Evelyn B. Freeman acknowledged the execution of the within Mortgage and Security Agreement.

_____
Notary Public, residing in
_____ County, Indiana

My Commission Expires:

_____

STATE OF INDIANA]
] SS.
COUNTY OF ALLEN]

Before me _____ this ____ day of February, 1981 personally appeared AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION, OF FORT WAYNE by _____ and _____, its _____ and _____, respectively and acknowledged the execution of the within Mortgage and Security Agreement.

_____
Notary Public, residing in
_____ County, Indiana

My Commission Expires:

_____

DRAFT
KR&H
1/19/81

$66,700
CITY OF FORT WAYNE
Industrial Development Revenue Bond
(Freeman Project)
Series 1981A

February 10, 1981

OFFER TO PURCHASE

City of Fort Wayne
City County Building
Fort Wayne, Indiana 46802

Gentlemen:

American Federal Savings & Loan Association, of Fort Wayne ("Lender"), the undersigned, hereby offers to purchase at a price of 100% of the aggregate principal amount of the $66,700 Industrial Development Revenue Bond (Freeman Project), Series 1981A, dated February 10, 1981 (the "Bond"), maturing in the amounts and on the dates and bearing interest at the rates set forth therein.

This offer to purchase is conditioned on the following:

(1) The delivery to us of an unqualified approving legal opinion of Kutak Rock & Huie, Bond Counsel;

(2) The execution, by the time of the purchase of the Bond, of a Loan Agreement (the "Loan Agreement"), dated as of February 12, 1981, among you and E. David Freeman and Evelyn B. Freeman ("Borrower") in substantially the form presented to the meeting of your governing body;

(3) The execution, by tne time of the purchase of the Bond, of an Assignment of Loan Agreement (the "Assignment of Loan Agreement") between you and Lender;

(4) The execution, by the time of the purchase of the Bond, of Mortgage and Security Agreement (the "Mortgage"), dated as of February 12, 1981, between Borrower and Lender;

(5) The execution, by the time of the purchase of the Bond, of an Assignment of Rents and Leases (the "Assignment of Rents and Leases"), dated as of February 12, 1981, between Borrower and Lender;

(6) The lack of existence at or prior to the closing date of conditions in the municipal bond market or securities market generally or any other material factor, whether economic, military or political in nature or otherwise, bearing upon the marketability of the Bond proposed to be purchased which would seriously and adversely affect the offering, sale or delivery of the Bond or would render such an offering, sale or delivery impractical or inadvisable or which would make the Bond when offered taxable pursuant to the provisions of the Internal Revenue Code of 1954, as amended, or of pending legislation which would adversely affect the tax exempt status of the Bond;

(7) There being no material adverse change in the financial condition of Borrower or any guarantor;

(8) Receipt of a title opinion relating to the Project (as that term is defined in the Loan Agreement) satisfactory to Lender certifying that the Mortgage is the sole first lien on the Project;

(9) Receipt of all Lender's fees and expenses incurred in connection with its purchase of the Bond; and

(10) The approval, by counsel to Lender, of all legal matters incident to the issuance and purchase of the Bond and the delivery of collateral therefor and the satisfaction of all requirements which may reasonably be made by Lender's counsel, including but not limited to,

a written opinion of Borrower's counsel to Lender certifying as to Borrower's due execution and delivery of the Loan Agreement, Mortgage and other instruments.

(11) Receipt of the Certificate of Acquisition.

Lender represents that it is purchasing the Bond for its own account for investment and not with a view to resale or for the distribution thereof. Lender hereby acknowledges and represents that: (i) Lender is familiar with Borrower; (ii) Lender has been furnished certain business and financial information about Borrower; (iii) Borrower has made available to Lender the opportunity to obtain additional information to verify the accuracy of the information supplied and to evaluate the merits and risks of an investment in the Bond; and (iv) tnat Lender has had the opportunity to ask questions of and receive answers from Borrower concerning the terms and conditions of the offering and the information supplied to Lender.

The undersigned acknowledges and represents that it has been advised that the Bond is not registered under the Securities Act of 1933, as amended (the "1933 Act"), and that Borrower is not presently required to register under Section 12 of the Securities and Exchange Act of 1934, as amended (the "1934 Act"). Lender, therefore, realizes that if and when Lender wishes to resell the Bond there may not be available current business and financial information about Borrowers. Further, no trading market now exists for the Bond. Accordingly, Lender understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to the maturity of the Bond may not be possible or may be at a price below that Lender is paying for the Bond.

It is understood that the undersigned has undertaken to verify the accuracy, completeness or truth of any statements made or omitted to be made concerning any of the material facts relating to this transaction, including information regarding the business and financial condition of Borrower. The undersigned has conducted its own investigation to the extent it deemed necessary. Lender has been offered an opportunity to have made available to it any and all such information it might request from Borrower. On this basis, it is agreed by acknowledgment of this letter that the undersigned hereto is not relying on any other party or person, including Bond Counsel, to undertake the furnishing or veri-

fication of information relating to this transaction. Notwithstanding the foregoing, nothing herein shall be construed as Lender's waiver of any rights with respect to any misrepresentation by Borrower in connection with Lender's purchase of the Bond.

This Offer to Purchase may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same agreement.

Very truly yours,

AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION, OF FORT WAYNE

By_____
Authorized Officer

Accepted as of the
day of February, 1981

CITY OF FORT WAYNE,
INDIANA

By_____
Mayor

DRAFT
KR&H
1/19/81

February 10, 1981

City of Fort Wayne,
Indiana
City County Building
Fort Wayne, Indiana 46802

American Federal Savings
& Loan Association, of
Fort Wayne
4036 Coldwater Road
Fort Wayne, Indiana 46805

$66,700
CITY OF FORT WAYNE, INDIANA
Industrial Development Revenue Bond
(Freeman Project)
Series 1981A

Gentlemen:

To induce the City of Fort Wayne, Indiana ("Issuer") and American Federal Savings & Loan Association, of Fort Wayne ("Lender"), to enter into the Offer to Purchase Agreement (the "Offer to Purchase") dated the date hereof, relating to the purchase by Lender and the sale by Issuer of $66,700 aggregate principal amount of Issuer's Industrial Development Revenue Bond (Freeman Project) Series 1981A (the "Bond"), to be issued under and pursuant to a Bond Ordinance dated February 10, 1981 (the "Bond Ordinance"), the proceeds of which are to be used to finance the cost of acquiring and equipping land and an economic development facility (the "Project") as defined in the Loan Agreement dated as of February 12, 1981 (the "Loan Agreement") between the Issuer and E. David Freeman and Evelyn B. Freeman ("Borrower"), with full realization and appreciation of the fact that the investment value of the Bond is in part dependent upon the credit standing of Borrower and in consideration of the foregoing and the execution and delivery of the Offer to Purchase, Borrower represents, warrants and covenants to and with Issuer and Lender as follows:

(a) The financial information of Borrower delivered to Lender present fairly and accurately the financial position of Borrower as of the dates indicated therein.

(b) Since the date of the financial information referred to in part (a), there has not been any material adverse change in the business, properties, financial position or results of operations of Borrower whether or not arising from transactions in the ordinary course of business, other than as disclosed to Lender, and since such date, except in the ordinary course of business, Borrower has not incurred any material liability, except as disclosed to Lender in writing.

(c) Any descriptions and information delivered to Lender relating to:

(i) The Project,

(ii) Borrower,

(iii) The Bond,

(iv) The Loan Agreement,

(v) The Mortgage and Security Agreement dated as of the date of the Loan Agreement (the "Mortgage") between Borrower and Lender,

(vi) The Assignment of Loan Agreement dated as of the date of the Loan Agreement (the "Assignment of Loan Agreement") between Issuer and Lender, and

(vii) The Assignment of Rents and Leases Agreement dated as of the date of the Loan Agreement (the "Assignment of Rents and Leases") between Borrower and Lender.

are, and at the date of the delivery of the Bond will be, true and do not contain, and, at the date of the delivery of the Bond, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(d) Borrower will not take or omit to take any action which will in any way result in the proceeds from the sale of the Bond being applied in a manner inconsistent with the provisions of the Bond Ordinance, the Loan Agreement, the Mortgage, the Assignment of Loan Agreement and the Assignment of Rents and Leases.

(e) Except as disclosed to Lender in writing, to the best of its knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any public board or body pending or, to its knowledge, threatened against or affecting Borrower wherein an unfavorable decision, ruling or finding would have a material adverse effect on the transactions contemplated by this Inducement Letter or the validity or enforceability of the Bond, the Loan Agreement, the Mortgage, the Assignment of Rents and Leases, this Inducement Letter or the Offer to Purchase or impair the lien of the Mortgage as the sole first lien with respect to the Project.

(f) The Loan Agreement, when executed and delivered by Borrower, will be the legal, valid and binding obligation of Borrower enforceable in accordance with its terms, except to the extent enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally.

(g) The Mortgage, when executed and delivered by Borrower, will be the legal, valid and binding obligation of Borrower enforceable in accordance with its terms, except to the extent enforcement thereof may be limited by bankruptcy insolvency or other similar laws affecting creditors' rights generally.

(h) The Assignment of Rents and Leases, when executed and delivered by Borrower, will be the legal, valid and binding obligation of Borrower enforceable in accordance with its terms, except to the extent enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally.

(i) The execution and delivery of the Loan Agreement, the Mortgage, the Assignment of Rents and Leases and this Inducement Letter, and the performance by Borrower of its obligations under the aforementioned, do not

and will not violate any court order by which Borrower is bound, and such actions do not and will not constitute a default under any agreement, indenture, mortgage, lease, note or other obligation or instrument to which Borrower is a party and no approval or other action by any governmental authority or agency is required in connection therewith.

(j) Borrower will deliver or cause to be delivered all opinions, certificates and other documents, as provided for in the Offer to Purchase, including, but not limited to, an opinion of its counsel.

(k) Borrower acknowledges and approves the terms and conditions of the Offer to Purchase, as they relate to Borrower and its participation in the transactions contemplated thereby.

The representations, warranties and covenants contained in this Inducement Letter shall survive the closing under the Offer to Purchase, the sale by Issuer of the Bond, and any investigation by the Issuer or Lender or any matters described in or related to the transactions covered by this Inducement Letter, the Loan Agreement, the Mortgage, the Assignment of Loan Agreement or the Assignment of Rents and Leases.

Any notice or other communication to be given to the Issuer hereunder may be given by mailing or delivering the same in writing to the City of Fort Wayne, City County Building, Fort Wayne, Indiana 46802, Attention: City Clerk and any notice or other communication to be given to Lender hereunder may be given by delivering the same in writing to American Federal Savings & Loan Association, of Fort Wayne, 4036 Coldwater Road, Fort Wayne, Indiana 46805, Attention: President.

This Inducement Letter shall be governed by the laws of the State of Indiana and may be executed in several counter-

parts, each of which shall be regarded as the original and all of which shall constitute one and the same agreement.

Very truly yours,

_____
E. David Freeman

_____
Evelyn B. Freeman

Accepted as of this date:

CITY OF FORT WAYNE,
INDIANA

By_____
Mayor

AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION, OF FORT WAYNE

By_____
Authorized Officer

DRAFT
KR&H
1/19/81

E. DAVID FREEMAN AND EVELYN B. FREEMAN
(Assignor)

and

AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION,
OF FORT WAYNE
(Assignee)

ASSIGNMENT OF RENTS AND LEASES

Dated as of February 12, 1981

This instrument was prepared by:

Kutak Rock & Huie
The Omaha Building
1650 Farnam Street
Omaha, Nebraska 68102

THIS ASSIGNMENT OF RENTS AND LEASES dated as of February 12, 1981, between E. David Freeman and Evelyn B. Freeman ("Borrower"), as assignor herein, and American Federal Savings & Loan Association, of Fort Wayne, a federally chartered savings and loan association chartered under the laws of the United States ("Lender"), as assignee herein,

W I T N E S S E T H:

WHEREAS, Borrower is the owner of certain real property and improvements located in the County of Allen and State of Indiana, legally described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the City of Fort Wayne, Indiana ("Issuer"), a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Indiana, pursuant to the terms of the Bond Ordinance passed by its Common Council on February 10, 1981 (the "Bond Ordinance"), has issued its Industrial Development Revenue Bond (Freeman Project) Series 1981A (the "Bond") in the aggregate principal amount of $66,700; and

WHEREAS, the proceeds from the sale of the Bond are to be loaned by Issuer to Borrower to finance the acquisition and equipping of land (the "Project Site") and an office building (the "Project Building") located on the Project Site (the Project Building and the Project Site are collectively referred to as the "Project"), pursuant to a Loan Agreement (the "Loan Agreement") dated as of even date herewith, between Issuer and Borrower; and

WHEREAS, Lender has purchased the Bond; and

WHEREAS, to secure payment of the Bond, Borrower has executed and delivered to Lender a Mortgage and Security Agreement dated as of even date herewith (the "Mortgage") wherein Borrower grants to Lender a first mortgage lien and security interest in and to the Project; and

WHEREAS, Issuer and Lender require, as an additional condition for the issuance of the Bond by Issuer and the purchase and acceptance of the Bond by Lender, that Borrower further secure the Bond by executing and delivering this Assignment of Rents and Leases (the "Assignment of Rents");

NOW, THEREFORE, in consideration of $66,700 made available by Lender to Borrower through the purchase of the Bond, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower does hereby grant, transfer and assign to Lender all of Borrower's right, title and interest in and to all existing and future leases and other agreements, whether such leases are oral or written, for any use, occupancy or possession of all or any part of the Project, together with any and all security deposits made thereunder and all extensions, modifications and renewals, if any, thereof and any guaranty made by all tenants (or other parties) under existing and future leases (the existing, if any, and any future leases shall hereinafter be referred to as the "Leases"). In addition to the foregoing, Borrower does further hereby grant, transfer and assign to Lender all of the rents, income, issues and profits (herein called the "Rents"), now or hereafter accruing or owing from the Leases or otherwise as a result of any use, possession or occupancy of the Project or any part thereof, whether accruing before or after foreclosure of the Mortgage or during the period of redemption thereof. The Leases and Rents are being hereby granted, transferred and assigned for the purpose of securing the following (collectively referred to as the "Obligations Secured Hereby"):

(1) Payments of all indebtedness evidenced by the Bond (including any extensions or renewals thereof);

(2) Payment of all other sums, with interest thereon, becoming due and payable to Lender pursuant to the covenants and agreements contained herein and in the Bond, the Loan Agreement and the Mortgage, between Issuer, Borrower and Lender; and

(3) Performance and discharge of each and every obligation, covenant and agreement of Borrower contained herein, in the Bond, in the Loan Agreement and in the Mortgage.

AND TO PROTECT THE SECURITY OF THIS ASSIGNMENT OF RENTS, BORROWER AGREES AS FOLLOWS:

1. Performance of Leases. Borrower will faithfully abide by, perform and discharge each and every obligation, covenant and agreement under the Leases to be performed by the lessor thereunder; will observe and comply with all

provisions of law applicable to the operation and, without limitation, will enforce or secure the performance of each and every obligation, covenant, condition and agreement of the Leases by tenants (hereinafter, any tenant or tenants shall be referred to as the "Tenants") to be performed; will not borrow against, pledge or assign any Rents, or anticipate the Rents or reduce the amount of the Rents or other payments under the Leases, or waive, excuse, condone or in any manner release or discharge the Tenants of or from the obligations, covenants, conditions and agreements by the Tenants to be performed, including the obligation to pay the rental called for thereunder in the manner and at the place and time specified therein; will not assign or modify the Leases without the written consent of Lender, which consent shall not be unreasonably withheld; and will not terminate the Leases, exercise any option which might lead to such termination, or accept a surrender thereof except by reason of the expiration of the stated term of the Leases. Borrower shall promptly deliver to Lender a copy of any notice of default made by the Tenants.

2. Protect Security. Borrower will, at its sole cost and expense, appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Leases or the obligations, duties or liabilities of Borrower and pay all costs and expenses of Lender, including attorneys' fees in a reasonable sum, in any such action or proceeding in which Lender may appear. Borrower represents and warrants that it is now and will be the absolute owner of the Leases with full right and title to assign the same and the Rents, that the terms of the Leases have not been changed from the terms in the copies of the Leases submitted to Lender for approval, that there is no outstanding assignment or pledge of any or all of the Leases or of any or all of the Rents; that no Rents have been waived, anticipated, discounted, compromised or released, except as may be permitted by the Leases; and that none of the Tenants have any defenses, setoffs or counterclaims against Borrower.

3. Present Assignment of Rents. This Assignment of Rents and Leases shall constitute an actual and present assignment; provided Borrower shall have the right to collect, but not more than one month in advance, all of the Rents, and to retain, use and enjoy the same unless and until a default shall occur under the Mortgage or any other Obligations Secured Hereby or this Agreement and be continuing.

4. Remedies. Upon the occurrence and continuance of a default by Borrower under the Mortgage, the Loan Agreement or hereunder, Lender may, at its option, without notice:

(a) in the name, place and stead of Borrower (i) enter upon, manage and operate the Project, or retain the services of an independent contractor to manage and operate the same, (ii) make, enforce, modify and accept surrender of the Leases, (iii) obtain or evict the Tenants, (iv) collect, sue for, fix or modify rentals and enforce all rights of Borrower under the Leases, and (v) perform any and all other acts that may be necessary or proper to protect the security of this Assignment of Rents and Leases; or

(b) apply for, and Borrower hereby consents to, the appointment of a receiver of the Project, whether or not proceedings for the foreclosure of the Mortgage have been commenced, and if such proceedings have been commenced, whether or not a foreclosure sale has occurred.

The exercise of any of the foregoing rights or remedies shall not cure or waive any default under the Bond, the Mortgage, the Loan Agreement or invalidate any act done by virtue of such default.

5. Application of Rents. All Rents collected by Lender or by a receiver, shall be held and applied in the following order:

(a) to payment of all reasonable fees of the Lender and its agents;

(b) to the payment of all delinquent or current real estate taxes and special assessments payable with respect to the Project;

(c) to the payment of all premiums then due for the insurance required by the provisions of the Mortgage;

(d) to the payment of expenses incurred by Lender for normal maintenance of the Project;

(e) to Lender in payment of the Obligations Secured Hereby in such order of application as Lender may elect;

(f) to the repayment when due of the Tenants' security deposits, if any, with interest thereon; and

(g) the surplus, if any, shall be paid to Borrower.

The rights and powers of Lender under this Assignment of Rents and Leases, and the application of the Rents pursuant to this paragraph 5, shall continue and remain in full force and effect both before and after commencement of any action or procedure to foreclose the Mortgage, after the foreclosure sale of the Project in connection with the foreclosure of the Mortgage, and until expiration of the period of redemption from any such foreclosure sale, whether or not any deficiency from the unpaid balance of the Obligations Secured Hereby exists after such foreclosure sale.

6. No Liability for Lender. Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under the Leases; nor shall this Assignment of Rents and Leases operate to place responsibility for the control, care, management or repair of the Project upon Lender, nor for the carrying out of any of the terms and conditions of the Leases; nor shall it operate to make Lender responsible or liable for any waste committed on the Project by the Tenants or any other party, or for any dangerous or defective condition of the Project, or for any negligence in the management, upkeep, repair or control of the Project resulting in loss or injury or death to any tenant, licensee, employee or stranger.

7. Borrower to Hold Lender Harmless. Borrower shall and does hereby agree to indemnify and to hold Lender harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this Assignment of Rents and Leases and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Lender incur such liability, loss or damage under the Leases or under or by reason of this Assignment of Rents and Leases, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with appropriate interest, shall be secured hereby and by the Mortgage and Borrower shall reimburse Lender therefor immediately upon demand, and upon the failure

of Borrower so to do Lender may declare all Obligations Secured Hereby immediately due and payable.

8. Specific Assignment of Subsequent Leases. Borrower covenants and agrees promptly upon request of Lender to transfer and assign to Lender any specific subsequent lease of all or any part of the Project upon the same terms and conditions as are herein contained.

9. Remedies Not Exclusive. This Assignment of Rents and Leases shall in no way operate to prevent Lender from pursuing any remedy which it now has or hereafter may have under the terms or conditions of the Mortgage, the Loan Agreement, the Bond or any other instrument securing the same, or by law.

10. Authorization to Tenants. The Tenants are hereby irrevocably authorized and directed to recognize the claims of Lender, or its assigns, hereunder without investigating the reason for any action taken by Lender, or the validity or the amount of indebtedness owing to Lender, or the existence of any default in the Bond, the Mortgage, the Loan Agreement or under or by reason of this Assignment, or the application of the Rents to be made by Lender. Borrower hereby irrevocably directs and authorizes the Tenants to pay to Lender all sums due under the Leases and consents and directs that said sums shall be paid to Lender without the necessity for a judicial determination that a default has occurred hereunder or under the Bond, the Mortgage, the Loan Agreement or that Lender is entitled to exercise its rights hereunder, and to the extent such sums are paid to Lender, Borrower agrees that the Tenants shall have no further liability to Borrower for the same. The sole signature of Lender shall be sufficient for the exercise of any rights under this Assignment of Rents and the sole receipt of Lender for any sums received shall be a full discharge and release therefor to the Tenants.

11. Bankruptcy of Tenants. Anything to the contrary herein notwithstanding, Borrower hereby assigns to Lender any award made hereafter to Borrower in any court procedure involving any of the Tenants in bankruptcy, insolvency or reorganization proceedings in any state or federal court, and any and all payments made by Tenants in lieu of rents. Borrower hereby appoints Lender as its irrevocable attorney-in-fact to appear in any such action and/or to collect any such award or payment.

12. Lender Attorney-in-Fact. Borrower hereby irrevocably appoints Lender and its successors and assigns as its agent and attorney-in-fact to execute and deliver during the term of this Assignment of Rents such further instruments as Lender may deem necessary to make this Assignment of Rents and Leases and any further assignment effective.

13. Notices. All notices, demands or other communications which are required or permitted to be given or served by either party hereunder shall be deemed given when deposited in the United States mail, registered or certified mail, postage prepaid, addressed as follows:

If to Borrower:
E. David Freeman and Evelyn B. Freeman
3342 Mallard Cove Lane
Fort Wayne, Indiana 46804

If to Lender:
American Federal Savings & Loan Association, of Fort Wayne
4036 Coldwater Road
Fort Wayne, Indiana 46805

Attention: President

If to a Tenant, to the address set forth in the Lease applicable to such Tenant. Such addresses may be changed from time to time by any party by written notice given to each of the other parties.

14. Successors and Assigns. This Assignment of Rents and Leases and each and every covenant, agreement and other provision hereof shall be binding upon Borrower and its successors and assigns, including without limitation each and every from time to time record owner of the Project or any other person having an interest therein and shall inure to the benefit of Lender and its successors and assigns.

15. Governing Law. This Assignment of Rents and Leases is made and executed in the State of Indiana and shall be governed by the laws of such State with respect to procedures and remedies available to Lender in the event of a default. It is the intention of the parties hereto that this Assignment shall confer upon lender the fullest rights, remedies and benefits available under Indiana law.

16. Severability. The unenforceability or invalidity of any provision hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

17. No Mortgagee in Possession. Nothing herein contained, and no action taken pursuant to this Assignment of Rents, shall be construed as constituting Lender as "mortgagee in possession."

IN WITNESS WHEREOF, Borrower and Lender have caused this Assignment of Rents and Leases to be duly executed as of the date first above written.

Witness:

_____ E. David Freeman

Witness:

_____ Evelyn B. Freeman

Attest: AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION, OF FORT WAYNE

By_____ By_____
Authorized Officer

STATE OF INDIANA]
] SS.
COUNTY OF ALLEN]

Before me _____ this _____ day of February, 1981, E. David Freeman and Evelyn B. Freeman acknowledged the execution of the within Assignment of Rents and Leases.

_____
Notary Public, residing in
_____ County

My Commission expires:_____

STATE OF INDIANA]
] SS.
COUNTY OF ALLEN]

Before me _____ this _____ day of February, 1981, personally appeared AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION, OF FORT WAYNE by _____ and _____, respectively, and acknowledged the execution of the within Assignment of Rents and Leases.

_____
Notary Public, residing in
_____ County

My Commission expires: _____

EXHIBIT A

KR&H
DRAFT
1/19/81

CERTIFICATE OF OFFICIALS
OF THE CITY OF FORT WAYNE, INDIANA

We, the undersigned, being the Mayor and the City Clerk, respectively, of the City of Fort Wayne, Indiana (the "Issuer"), do hereby certify as follows:

(1) The undersigned City Clerk hereby certifies that:

(a) Attached hereto as an exhibit is a transcript (the "Transcript") which includes a true and correct copy of Ordinances (hereinafter collectively referred to as the "Ordinances"), which Ordinances were adopted and approved by the Common Council of the Issuer on April 8, 1980 and February 10, 1981, respectively, in connection with the authorization and issuance of the Issuer's Industrial Development Revenue Bond (Freeman Project) Series 1981A, dated February 10, 1981, of the aggregate principal amount of $66,700 (the "Bond"), the execution and delivery of a Loan Agreement dated as of February 12, 1981 (the "Loan Agreement"), between the Issuer and E. David Freeman and Evelyn Freeman (the "Borrower"), the execution and deliver of an Assignment of Loan Agreement (the "Assignment") dated as of the date of the Agreement between the Issuer and American Federal Savings & Loan Association, of Fort Wayne (the "Lender"), the execution and delivery of an Offer to Purchase (the "Offer to Purchase") dated as of February 10, 1981 between the Issuer and the Lender and the execution and delivery of an Inducement Letter (the "Inducement Letter") dated as of February 10, 1981, among the Issuer, the Lender and the Borrower.

(b) He has carefully compared the proceedings of the Common Council of the Issuer, which are set out in the Transcript, which Transcript has been duly recorded in the journal of the proceedings of the Common Council, with said journal and with the records and files of the Common Council which are in his official custody, and the Transcript is a full, true and complete copy of said journal, records and files which are set out therein, including the Agreement and the Ordinances.

(c) He has made a diligent search and examination of said journal, records and files which are in his

official custody and finds and certifies that the same contain no proceedings of Issuer or of the Common Council thereof precedent to or referring to the issuance of the Bond therein referred to other than the proceedings set out in the Transcript, and that the Transcript contains all of the proceedings had or done by Issuer or by the Common Council thereof in connection with the issuance of the Bond and relative thereto.

(d) The Ordinances, as set out in the Transcript, were duly passed by the Common Council on the dates as set forth above and in the Transcript, and the copies of the Ordinances set out in the Transcript are full, true and complete copies of the Ordinances as the same appear in the minute books of the Common Council.

(e) At the time such proceedings were had, the following were duly elected (or appointed, as the case may be), qualified and acting officers of Issuer:

Officer	Name	Specimen Signatures (for document signers)
Mayor	_____	_____
City Clerk	_____	_____

(f) All meetings of the Common Council at which action was taken in connection with the issuance of the Bond were open to the public at all times and advance public notice of the time and place of each of such meetings was duly given by notification of the communications media in or near Issuer or in some other way which gave reasonable notice to the public of such meetings, pursuant to the provisions and in accordance with the provisions of Indiana law.

(2) The undersigned Mayor certifies that:

(a) The certifications and representations made by the Issuer in Sections 2.1 of the Loan Agreement are true and correct as of the date hereof, and on the basis of such certifications and representations it is not

expected that the proceeds of the Bond will be used in a manner which would cause the Bond to be an "arbitrage bond" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and the regulations proposed or promulgated thereunder.

(b) To the best of his knowledge and belief, there are no other facts, estimates or circumstances which would materially change the foregoing conclusion.

(c) The Issuer has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

(3) The undersigned Mayor and City Clerk, respectively, for Issuer, do hereby certify that:

(a) They are the officers, respectively, as indicated, of Issuer and in pursuance of law and the Ordinances, there has been duly prepared and executed, on behalf of Issuer, the Bond, maturing at the date and in the amount and bearing interest at the rate as provided by the Bond Ordinance, pursuant to which the Bond has been issued.

(b) The Bond has been executed on behalf of Issuer with the official manual signature of the undersigned Mayor and the official manual signature of the undersigned City Clerk and the corporate seal of Issuer has been impressed thereon.

(c) The Issuer has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Bond, the Loan Agreement and the Assignment and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated by the Offer to Purchase.

(d) No controversy or litigation is pending, or to their knowledge threatened, to restrain or enjoin the issuance or sale of the Bond or in any way affecting any authority for or the validity of the Bond, the Loan Agreement, the Assignment or the organization, exist-

ence, boundaries or powers of Issuer or the right of the Issuer to finance the Project (as that term is used in the Loan Agreement) with the proceeds of the Bond.

(e) The execution, delivery, receipt and due performance of the Bond, the Loan Agreement, the Assignment and the other agreements contemplated by the Offer to Purchase under the circumstances contemplated thereby and compliance by the Issuer with the provisions thereof will not conflict with or constitute on the part of Issuer a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the Issuer is subject or by which it is or may be bound.

(f) The Bond constitutes the only bond or other existing obligations of the Issuer in any manner secured by or payable from payments to be made by the Borrower pursuant to the Loan Agreement and the Ordinances are valid and remain in full force and effect.

(4) The undersigned Mayor, acting for and on behalf of the Issuer under the Loan Agreement, with respect to the Project, hereby designates the City Clerk, whose specimen signature appears above, as Issuer Representative, and the Mayor, whose specimen signature appears above, as alternate Issuer Representative, as defined in Article I of the Loan Agreement, and authorizes either of them to take all actions and to do all things required of them or permitted under the terms of the Loan Agreement as Issuer Representative.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the seal of Issuer as of the _____ day of February, 1981.

CITY OF FORT WAYNE, INDIANA

By_____
Mayor

By_____
City Clerk

[SEAL]

KR&H
DRAFT
1/19/81

CERTIFICATE OF BORROWER

In connection with the purchase by American Federal Savings & Loan Association, of Fort Wayne (the "Lender") of $66,700 of the City of Fort Wayne, Indiana Industrial Development Revenue Bond (Freeman Project) Series 1981A, and in accordance with the provisions of the Offer to Purchase (the "Offer to Purchase") dated February 10, 1981, between the City of Fort Wayne, Indiana (the "Issuer") and the Lender, the undersigned E. David Freeman and Evelyn B. Freeman (the "Borrower"), hereby certifies that:

1. There is no action, suit, proceeding or, to my knowledge, any inquiry or investigation at law or in equity or before or by any public board or body pending or, threatened against or affecting the Borrower or its property, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Offer to Purchase or the validity or enforceability of the Bond, the Loan Agreement, the Mortgage, the Assignment, the Inducement Letter or the Offer to Purchase, which have not been disclosed, in writing, to the Lender. (All defined terms used in this Certificate shall have the same meaning as is set forth in the Offer to Purchase.)

2. To the best of my knowledge, the information regarding the transaction contemplated by the Offer to Purchase delivered to the Lender by the Borrower is true in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

3. The Borrower has duly executed and delivered all agreements to be executed and delivered by it as contemplated by the Offer to Purchase, including the Loan Agreement, the Mortgage, the Assignment and the Inducement Letter.

4. The Inducement Letter has not been amended, modified or rescinded and is in full force and effect, and the information, representations and warranties

contained therein are true and correct as of the date hereof.

5. The Borrower's performance under the Inducement Letter, the Mortgage, the Assignment and the Loan Agreement does not and will not violate any court order, and nor does or will such performance by Borrower constitute a default under any agreement, indenture, mortgage, lease or any other obligation or instrument to which the Borrower is bound, and no approval or other action by any governmental authority or agency is required in connection therewith.

6. The Borrower has not offered to sell the Bond or its obligations contained in the Loan Agreement to anyone, except as contemplated by the Offer to Purchase.

7. The Borrower hereby approves the price for which the Bond is being sold to the Lender.

8. It is not expected that the proceeds of the Bond will be used in a manner that would cause the Bond to be classified as an "arbitrage bond" under Section 103(c) of the Internal Revenue Code of 1954 and regulations proposed or promulgated under that Section. To the best knowledge and belief of the Borrower, there are no facts or circumstances that would materially change the foregoing conclusion.

9. The following-named person is designated to act on behalf of the Borrower as Authorized Borrower Representative, as such term is defined in the Loan Agreement, and the signature set forth opposite the name below is the true and genuine signature of such person:

Name		Signature
_____	Authorized Borrower Representative	_____

Name		Signature
_____	Authorized Borrower Representative	_____

10. The Borrower hereby certifies that he has carefully reveiwed the representations, covenants and warranties of the Borrower contained in Section 2.2 of the Agreement and that said representations, covenants and warranties are true and correct as of the date hereof.

This certification is based upon a thorough examination of the facts and circumstances as they relate to the transaction contemplated by the Offer to Purchase.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the _____ day of February, 1981.

_____
E. David Freeman

_____
Evelyn B. Freeman

KR&H
DRAFT
1/19/81

CERTIFICATE OF ACQUISITION

This Certificate is made pursuant to Section 3.4 of the Loan Agreement, dated February 12, 1981 (the "Agreement"). The undersigned hereby certifies that acquisition of the Project (as that term is defined in the Agreement) is complete.

Proceeds of the sale of the Bond will be expended as follows:

1.

2.

3.

4.

5.

DATED: February 12, 1981

_____
E. David Freeman

_____
Evelyn B. Freeman

KR&H
DRAFT
1/19/81

RECEIPT

The undersigned American Federal Savings & Loan Association, of Fort Wayne, the purchaser of $66,700 aggregate princpal amount of the City of Fort Wayne, Indiana Industrial Development Revenue Bond (Freeman Project) Series 1981A, dated February 10, 1981, and bearing interest and maturing on the dates set forth therein, hereby acknowledges receipt of executed Bond No. R-1.

DATED: February 12, 1981.

AMERICAN FEDERAL SAVINGS & LOAN ASSOCIATION, OF FORT WAYNE

By_____
Authorized Officer

KR&H
DRAFT
1/19/81

FORM OF REQUISITION

NO. ___

American Federal Savings &
Loan Association, of Fort Wayne
4036 Coldwater Road
Fort Wayne, Indiana 46805

Attention: _____

Re: Request to Make Advances of the Purchase Price of the City of Fort Wayne, Indiana Industrial Development Revenue Bond (Freeman Project) Series 1981A

As Lender for the City of Fort Wayne, Indiana (the "Issuer"), you are hereby requested to disburse the sum of $ to be paid pursuant to this Requisition to . Such disbursement represents the amount to which such payee is entitled in accordance with the bill of statement of account attached hereto.

The undersigned, the Authorized Borrower Representative, does hereby certify in compliance with the Loan Agreement dated February 12, 1981 (the "Agreement") between the Issuer and E. David Freeman and Evelyn B. Freeman (the "Borrower"), that (i) the disbursement herein requested is for an obligation properly incurred and is a Cost of Acquisition, as defined in the Agreement, and has not been the basis of any previous withdrawal; (ii) the Borrower is in compliance with all provisions and requirements of the Agreement and the Mortgage and Security Agreement dated as of February 12, 1981 (the "Mortgage"), between the Borrower and you; (iii) that the expenditure of such disbursement, when added to all disbursements under previous requisitions, will result in at least 95% of the total of such disbursements, other than disbursements for issuance expenses, having been used (A) for the acquisition, construction, reconstruction or improvement of land or property of a character subject to the allowance for depreciation under Section 167 of the Code, or (B) for payment of amounts which are, for federal income tax purposes, chargeable to the Project's capital account or would be so chargeable either with a proper election by the Borrower (for example under Section 266 of the Code) or but for a proper election by the Borrower to deduct such amounts;

(iv) all representations and warranties of the Borrower contained in the Mortgage and the Agreement are true in all material respects on the date hereof; and (v) there has occurred no event which constitutes or would, with the passage of time or giving of notice, constitute an event of default under the Agreement or the Mortgage.

Attached hereto is (1) a description specifying in reasonable detail, with respect to the payment to be made, the nature of the obligation; and (2) for any contractor or mechanic to whom the bill or statement of account applies, applications for payment and waivers of mechanics' and materialmen's liens which may be conditional upon payment.

Dated this _____ day of _____, 19__.

_____
Authorized Borrower
Representative

REORDER FROM
Registre, Inc.
5284 TAYLOR ST. N.E.
MPLS., MINN. 55421
(612) 571-2803

UNIFORM COMMERCIAL CODE

STATE OF INDIANA
FINANCING STATEMENT

FORM UCC-1

INSTRUCTIONS

1. Please type this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other three copies with interleaved carbon paper to the filing officer. Enclose filing fee of $2.00 (plus $.50 if collateral is, or is to become a fixture).
3. When filing is to be with more than one office, Form UCC-2 may be placed over this set to avoid double typing.
4. If the space provided for any item(s) is inadequate, the item(s) may be continued on additional sheets, preferably 5" x 8" or sizes convenient to secured party in case of long schedules, indentures, etc. Only one sheet is required. Extra names of debtors may be continued below box "1" in space for description of property.
5. If the collateral is crops or goods which are or are to become fixtures, describe the goods and also the real estate with the name of the record owner if he is other than the debtor.
6. Persons filing a security agreement (as distinguished from a financing statement) are urged to complete this form with or without signature and send with security agreement.
7. If collateral is goods which are or are to become fixtures, use Form UCC-1a over this Form to avoid double typing, and enclose regular fee plus $.50.
8. The filing officer will return the third page of this Form as an acknowledgment. Secured party at a later time may use third page as a Termination Statement by dating and signing the termination legend on that page.

This Financing Statement is presented to Filing Officer for filing pursuant to the UCC:

1 Debtor(s) (Last Name First) and Address(es)	2 Secured Party(ies) and Address(es)	3 Maturity Date (if any): For Filing Officer (Date, Time, Number, and Filing Office)
E. David Freeman and Evelyn B. Freeman, 3342 Mallard Cove Lane, Fort Wayne, Ind., 46804	(1) City of Fort Wayne, Ind., and (2) American Federal Savings & Loan Assn. of Fort Wayne, 4036 Coldwater Rd., Fort Wayne, Ind. 46085 under a Bond Ordinance dated 2-10-81.	

4 This financing statement covers the following types (or items) of property (also describe realty where collateral is crops or fixtures):

See Schedule I (including Exhibit A and B) attached hereto.

Assignee of Secured Party

This statement is filed without the debtor's signature to perfect a security interest in collateral (check ☒ if so):

- ☐ under a security agreement signed by debtor authorizing secured party to file this statement, or
- ☐ already subject to a security interest in another jurisdiction when it was brought into this state, or
- ☐ which is proceeds of the following described original collateral which was perfected:

Check ☒ if covered: ☐ Proceeds of Collateral are also covered. ☐ Products of Collateral are also covered. No. of additional Sheets presented:

Filed with: ☐ Secretary of State ☒ Recorder of Allen County

E. David Freeman
Evelyn B. Freeman
Signature(s) of Debtor(s)

By: CITY OF FORT WAYNE, INDIANA
By: AMERICAN FEDERAL SAVINGS & LOAN ASSN. OF FORT WAYNE
By: Authorized officer
Signature(s) of Secured Party(ies)

(1) Filing Officer Copy—Alphabetical
FORM UCC-1—INDIANA UNIFORM COMMERCIAL CODE

Form Approved 1964 by:
Secretary of State

SCHEDULE I

All right, title and interest of E. David Freeman and Evelyn B. Freeman (the "Debtor") in and to the tangible personal property which is a portion of the Project, as the term Project is defined in the Loan Agreement, dated as of February 12, 1981, between the Debtor and the City of Fort Wayne ("Issuer") (one of the Secured Parties), including all replacements of proceeds with respect thereto, and all right, title and interest of the Debtor in and to the tangible personal property generally described in Exhibit B hereto which has been or will be acquired, contructed, improved or equipped with funds from the proceeds of the sale of the Issuer's Industrial Development Revenue Bond (Freeman Project) Series 1981[A], pursuant to procedures required by the Bond Ordinance passed by Issuer on February 10, 1981, such tangible personal property to be located generally on the real estate described on Exhibit A, and all right, title and interest of the Debtor in and to any and all leases of the Project.

All right, title and interest of the Debtor in and to all structures, improvements and appurtenances now standing upon the real estate described in Exhibit A, including all right, title and interest in fixtures of the industrial building and every other building, structure or improvement now standing on said real estate.

EXHIBIT A

Lot 1 in Covington Creek Professional Village, a subdivision in Allen County, Indiana.

EXHIBIT B

A frame two story office building containing 2150 square feet. No equipment of any kind is included within the meaning of the "Project Building" as described in the Loan Agreement.

REORDER FROM
Registré, Inc.
5284 TAYLOR ST. N.E.
MPLS., MINN. 55421
(612) 571-2803

UNIFORM COMMERCIAL CODE

STATE OF INDIANA
FINANCING STATEMENT

FORM UCC-1

INSTRUCTIONS

1. Please type this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other three copies with interleaved carbon paper to the filing officer. Enclose filing fee of $2.00 (plus $.50 if collateral is, or is to become a fixture).
3. When filing is to be with more than one office, Form UCC-2 may be placed over this set to avoid double typing.
4. If the space provided for any item(s) is inadequate, the item(s) may be continued on additional sheets, preferably 5" x 8" or sizes convenient to secured party in case of long schedules, indentures, etc. Only one sheet is required. Extra names of debtors may be continued below box "1" in space for description of property.
5. If the collateral is crops or goods which are or are to become fixtures, describe the goods and also the real estate with the name of the record owner if he is other than the debtor.
6. Persons filing a security agreement (as distinguished from a financing statement) are urged to complete this form with or without signature and send with security agreement.
7. If collateral is goods which are or are to become fixtures, use Form UCC-1a over this Form to avoid double typing, and enclose regular fee plus $.50.
8. The filing officer will return the third page of this Form as an acknowledgment. Secured party at a later time may use third page as a Termination Statement by dating and signing the termination legend on that page.

This Financing Statement is presented to Filing Officer for filing pursuant to the UCC:

3 Maturity Date (if any):

1 Debtor(s) (Last Name First) and Address(es)

City of Fort Wayne, Indiana

2 Secured Party(ies) and Address(es)

American Federal Savings & Loan Assn. of Fort Wayne, 4036 Coldwater Rd., Fort Wayne, Ind. 47085 under a Bond Ordinance adopted by Debtor on 2-10-81.

For Filing Officer (Date, Time, Number, and Filing Office)

4 This financing statement covers the following types (or items) of property (also describe realty where collateral is crops or fixtures):

See Schedule I (including Exhibit A and B) attached hereto.

Assignee of Secured Party

This statement is filed without the debtor's signature to perfect a security interest in collateral (check ☒ if so):

☐ under a security agreement signed by debtor authorizing secured party to file this statement, or

☐ already subject to a security interest in another jurisdiction when it was brought into this state, or

☐ which is proceeds of the following described original collateral which was perfected:

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☐ Products of Collateral are also covered. No. of additional Sheets presented:

Filed with: ☐ Secretary of State ☒ Recorder of Appropriate UCC Office

CITY OF FORT WAYNE, INDIANA

By: Mayor
Signature(s) of Debtor(s)

~~AMERICAN FEDERAL SAVINGS & LOAN ASSN.~~
OF FORT WAYNE

By: Authorized Officer
Signature(s) of Secured Party(ies)

(1) Filing Officer Copy—Alphabetical
FORM UCC-1—INDIANA UNIFORM COMMERCIAL CODE

Form Approved 1964 by:
Secretary of State

SCHEDULE I

All right, title and interest of the City of Fort Wayne (the "Debtor") in and to the tangible personal property which is a portion of the project (the "Project"), as the term Project is defined in the Loan Agreement, dated as of February 12, 1981 (the "Agreement"), between the Debtor and Borrower, including all replacements or proceeds with respect thereto, and all right, title and interest of the Debtor in and to the tangible personal property generally described in Exhibit B which has been or will be acquired, constructed, improved or equipped with funds from the proceeds of the sale of the Debtor's Industrial Development Revenue Bond (Freeman Project) Series 1981 [A], pursuant to procedures required by the Bond Ordinance passed by Debtor on February 10, 1981, such tangible personal property to be located generally on the real estate described in Exhibit A.

All right, title and interest of the Debtor, in, under and to the Agreement, as the Agreement may be supplemented or amended, including the present and continuing right to make claim for, collect and receive any of the payments of the revenues receivable under the Agreement; and all payments, revenues, receipts and other proceeds receivable by the Debtor from, and all rights of the Debtor in the Project.

All right, title and interest of the Debtor in and to the building and all other structures, improvements and appurtenances now standing upon other real estate described in Exhibit A including all right, title and interest in fixtures of the building and every other building, structure or improvement now standing on said real estate.

EXHIBIT A

Lot 1 in Covington Creek Professional Village, a subdivision in Allen County, Indiana.

EXHIBIT B

A frame two story office building containing 2150 square feet. No equipment of any kind is included within the meaning of the "Project Building" as described in the Loan Agreement.

DRAFT
KR&H
1-19-81

NO ARBITRAGE CERTIFICATE

1. In General

1.1. The undersigned is the Mayor of the City of Fort Wayne, Indiana (the "Issuer").

1.2. This Certificate is executed for the purpose of establishing the reasonable expectations of the Issuer as to future events, regarding the Issuer's Industrial Development Revenue Bond (Freeman Project) Series 1981A (the "Bond"). The Issuer has not been notified of any listing or proposed listing of the Issuer by the Internal Revenue Service as an issuer that may not certify its bond.

1.3. To the best of the undersigned's knowledge, information and belief, the expectations contained in this Certificate are reasonable.

1.4. The undersigned is an officer of the Issuer delegated with the responsibility of issuing and delivering the Bond.

1.5. The facts and estimates in Sections 3, 4 and 6 of this Certificate are based on representations made by E. David Freeman and Evelyn B. Freeman (the "Borrower"). The Bond will be privately placed. The purchase price to American Federal Savings & Loan Association, of Fort Wayne, as the first buyer (the "First Buyer") of the Bond is based on representations made by the Borrower. The Issuer is not aware of any facts or circumstances that would cause it to question the accuracy of the representations made by the Company.

2. The Purpose of the Bond

2.1. The Bond is being issued for the purpose of providing funds for the permanent financing of costs of acquiring, constructing, improving and equipping certain office facilities (the "Project").

2.2. The Project is, upon the completion of the acquisition, construction, improving and equipping of the Project, to be owned by the Borrower. The proceeds from the Bond will be loaned by Issuer to the Borrower, under and pursuant to a Loan Agreement dated February 12, 1981 (the "Agreement"), between the Issuer and the Borrower.

3. Source and Disbursement of Funds

3.1. The Bond will be sold to the First Buyer at 100% of the principal amount thereof, such principal amount being $66,700. The First Buyer will pay no accrued interest on the Bond. Accordingly, the net amount received from the sale of the Bond will be $66,700.

3.2. The funds received by the Issuer from the sale of the Bond are expected to be needed and fully expended as follows:

(i) Approximately 3% will be expended for payment of expenses anticipated to be incurred in connection with the issuance of the Bond; and

(ii) the remaining 97% will be expended for payment of the costs of acquiring, constructing, improving and equipping the Project.

4. Temporary Period

Acquisition of the Project by the Borrower is expected to occur and be completed on March 14, 1981, the date of this Certificate.

5. Payments on the Bond

No bond fund, debt service fund, reserve fund or similar fund will be established for the benefit of the holder of the Bond. The Borrower shall make payments of the principal of and interest on the Bond directly to the holder of the Bond as such payments become due. The Issuer reasonably expects that there will be no other funds that will be so used.

6. Miscellaneous

6.1. The Issuer does not plan to sell any additional obligations to provide facilities for the Borrower in the foreseeable future.

6.2. Monthly payments will be made by the Borrower pursuant to the Agreement in amounts equal to the monthly debt service payments on the Bond. Such payments will be made on the days that the monthly debt service payment is due on the Bond.

6.3. No income will be derived from the investment of money received upon the sale of the Bond as such money will not be invested.

Dated: February 12, 1981

CITY OF FORT WAYNE, INDIANA

By_____
Mayor

The undersigned, on behalf of the Borrower, represents that, to the best of the undersigned's knowledge, information and belief, the expectations contained in the above No Arbitrage Certificate are reasonable.

_____
E. David Freeman

_____
Evelyn B. Freeman

KR&H
DRAFT
1/19/81

OPINION OF COUNSEL

Based on our examination of Section 103(c) of the Internal Revenue Code of 1954, as amended (the "Code"), and the regulations promulgated thereunder (the "Regulations") and our review of the accompanying No Arbitrage Certificate with respect to the issuance by the City of Fort Wayne, Indiana of $66,700 of its Industrial Development Revenue Bond (Freeman Project) Series 1981A (the "Bond"), it is our opinion that the Bond is not an "arbitrage bond" within the meaning of Section 103(c) of the Code and the Regulations.

DATED: February 12, 1981.

KR&H
DRAFT
1/19/81

American Federal Savings &
Loan Association, of Fort Wayne
4036 Coldwater Road
Fort Wayne, Indiana 46805

Kutak Rock & Huie
The Omaha Building
1650 Farnam Street
Omaha, Nebraska 68102

$66,700
City of Fort Wayne, Indiana
Industrial Development Revenue Bond
(Freeman Project)
Series 1981A

Gentlemen:

As City Attorney for the City of Fort Wayne, Indiana (the "Issuer"), I am authorized to furnish opinions that may be required in connection with the issuance by the Issuer of $66,700 aggregate principal amount of its Industrial Development Revenue Bond (Freeman Project) Series 1981A (the "Bond") issued pursuant to a Bond Ordinance dated February 10, 1981 (the "Bond Ordinance"). In that capacity, I have examined the following:

(a) Certified copies of the ordinance adopted by the Common Council of the Issuer on April 8, 1980, and the Bond Ordinance (the "Ordinances"), in connection with the issuance by the Issuer of the Bond pursuant to and under the provisions of I.C. 18-6-4.5-1 et seq., as amended (the "Act");

(b) A counterpart of the Loan Agreement (the "Loan Agreement") dated as of February 12, 1981, between the Issuer and E. David Freeman and Evelyn B. Freeman (the "Borrower");

(c) A counterpart of the Assignment of Loan Agreement (the "Assignment") dated as of February 12, 1981, between the Issuer and American Federal Savings & Loan Association, of Fort Wayne (the "Lender").

(d) Such other public records, documents and proceedings as I have deemed relevant and necessary in rendering this opinion.

Based on the foregoing, I am of the opinion that:

1. The Issuer is a municipal corporation and political subdivision, duly organized and existing under the Constitution and laws of the State of Indiana. Pursuant to the Act, the Issuer is empowered to adopt the Bond Ordinance, issue the Bond and to use the proceeds thereof for the purpose of financing the cost of certain facilities constituting the Project (as that term is defined in the Loan Agreement) to be owned by the Borrower and to assign to the Lender the payments and other amounts derived from the Loan Agreement out of which the Bond is payable.

2. To the best of my knowledge, the issuance, execution and delivery of the Bond by the Issuer and the execution and delivery of the Loan Agreement, the Assignment and the performance of the Issuer of its obligations with respect thereto, will not contravene any provision of Indiana law or any applicable judgment, order, decree or regulation of any Court or any public or governmental agency or authority of the State of Indiana, and will not conflict with, result in any breach of, or constitute a default under, any agreement or instrument to which the Issuer is a party or by which the Issuer is bound.

3. The Common Council of the Issuer has the right and power to adopt the Ordinances, and the Ordinances have been duly adopted by the Common Council of the Issuer and are in full force and effect in the form in which adopted as of the date hereof.

4. To the best of my knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to my knowledge, threatened against or affecting the Issuer wherein an unfavorable decision, ruling or finding

would adversely affect the transaction contemplated by the Bond, the Loan Agreement, the Assignment or the validity or enforceability of the Bond, the Loan Agreement, the Assignment or any agreement or instrument to which the Issuer is a party and which is used or contemplated by the Bond and the Loan Agreement.

5. The Issuer has taken the actions that constitute all of the action necessary to duly authorize the issuance and sale of the Bond and to authorize the transactions contemplated by the Bond, the Loan Agreement and the Assignment; and the Bond has been duly executed and delivered and constitutes the valid and binding limited obligation of the Issuer enforceable in accordance with its terms.

6. The Loan Agreement and the Assignment have been duly authorized, executed and delivered by the Issuer and represent the respective valid and legally binding agreement of the Issuer enforceable in accordance with their terms.

7. The obligations of the Issuer, and the responsibility thereof, with respect to the documents described above are subject, in part, to the provisions of the United States Bankruptcy Act and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect. Certain of the obligations, and the enforcement thereof, contained in the Loan Agreement and the Assignment are also subject to general equity principles which may limit the specific enforcement of certain remedies but which do not affect the validity of such documents.

Very truly yours,

KR&H
DRAFT
1/19/81

February 12, 1981

American Federal Savings &
Loan Association, of Fort Wayne
4036 Coldwater Road
Fort Wayne, Indiana 46805

Kutak Rock & Huie
The Omaha Building
1650 Farnam Street
Omaha, Nebraska 68102

Gentlemen:

We have acted as counsel to E. David Freeman and Evelyn B. Freeman (the "Borrower"). We are members of the bar of the State of Indiana. In connection with the sale and issuance of $66,700 aggregate principal amount of the City of Fort Wayne, Indiana Industrial Development Revenue Bond (Freeman Project) Series 1981A, we are familiar with the following:

1. The Bond Ordinance adopted by the Issuer on February 10, 1981 (the "Bond Ordinance");

2. The Loan Agreement dated as of February 12, 1981 (the "Loan Agreement"), between the Borrower and the City of Fort Wayne, Indiana (the "Issuer");

3. The Mortgage and Security Agreement dated the date of the Loan Agreement (the "Mortgage"), between the Borrower and American Federal Savings & Loan Association, of Fort Wayne (the "Lender");

4. The Assignment of Rents and Leases dated the date of the Loan Agreement (the "Assignment of Rents and Leases"), between the Borrower and the Lender;

5. The Offer to Purchase dated the date of the Bond Ordinance (the "Offer to Purchase"), between the Issuer and the Lender;

6. The Inducement Letter dated the date of the Bond Ordinance (the "Inducement Letter"), among the Borrower, the Issuer and the Lender; and

7. The Uniform Commercial Code Financing Statements (the "UCC Financing Statements") covering Borrower's interest in the Project and any and all leases of the Project.

We have further examined such other documents and papers as we have deemed relevant and necessary as the basis for our opinion as set forth below. Based upon our examination, it is our opinion that:

a. The Borrower has full capacity and power to execute, deliver, carry out and perform its obligations under the Loan Agreement, the Mortgage, the Assignment of Rents and Leases and the Inducement Letter.

b. All requisite proceedings have been taken so that the Loan Agreement, the Mortgage, the Assignment of Rents and Leases, the UCC Financing Statements and the Inducement Letter constitute legal, valid and binding obligations enforceable against the Borrower in accordance with their respective terms, except to the extent that the enforcement may hereafter be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally. The aforesaid documents have been properly executed and delivered by the Borrower.

c. The execution and delivery of the Loan Agreement, the Mortgage, the Assignment of Rents and Leases, the UCC Financing Statements and the Inducement Letter by the Borrower and the performance by it of its obligations thereunder, do not and will not violate or constitute a default under any court order or any agreement, indenture, mortgage, lease or other obligation or instrument to which the Borrower is a party or by which the Borrower is or may be bound, and no approval or other action by any governmental authority or agency is required in connection therewith.

d. There is no action, suit, proceeding, inquiry or investigation at law or in equity or by any judicial or administrative court or agency, pending or threatened, against the Borrower wherein an unfavorable decision, ruling or finding would affect the validity or enforceability of the Loan Agreement, the Mortgage, the Assignment of Rents and Leases and the UCC Financing Statements.

e. The uses of the Project (as that term is defined in the Loan Agreement) as contemplated by the Borrower are in all respects proper and are not in violation of any zoning ordinances, or other restrictions or regulations which could limit such uses.

f. To the best of our knowledge, the Borrower is not in violation of any State or federal law, or any local ordinances or other regulations.

g. The loan of the proceeds of the Bond to the Borrower is not usurious or otherwise illegal under applicable law.

h. To the best of our knowledge and belief, the information delivered to the Lender, by the Borrower, in connection with Lender's purchase of the Bond does not contain any untrue statement of a material fact or omit any statement of a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,

KR&H
DRAFT
1/19/81

February 12, 1981

City of Fort Wayne, Indiana
City County Building
Fort Wayne, Indiana

American Federal Savings & Loan
Association, of Fort Wayne
4036 Coldwater Road
Fort Wayne, Indiana 46805

Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the City of Fort Wayne, Indiana, a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Indiana (the "Issuer"), of $66,700 aggregate principal amount of its Industrial Development Revenue Bond (Freeman Project) Series 1981A (the "Bond"). The Bond is issued as a single fully registered Bond dated February 10, 1981 in the denomination of $66,700, numbered R-1.

The Bond is subject to mandatory and optional redemption by the Issuer prior to maturity at the times, in the manner and upon the terms provided in the Bond and the Bond Ordinance. THE BOND IS PAYABLE SOLELY FROM REVENUES AND RECEIPTS DERIVED FROM THE AGREEMENT. THE BOND SHALL NOT IN

ANY RESPECT BE A GENERAL OBLIGATION OF ISSUER, NOR SHALL THE BOND BE PAYABLE IN ANY MANNER FROM FUNDS RAISED BY TAXATION. The Bond is a limited obligation of the Issuer, and neither the faith and credit nor the taxing power of the Issuer, the State of Indiana or any political subdivision thereof is pledged to the payment of the principal of the Bond or the interest thereon or other costs incident thereto. The principal of, premium, if any, and interest on the Bond shall be payable solely out of the revenues derived from the Project to be financed by the Bond under the hereinafter-described Agreement. The Bond matures at the times and at the rate set forth in the Bond and the Bond Ordinance.

In connection with the issuance of the Bonds, we have examined the following:

a. Certified copies of the ordinances adopted by the Issuer on April 8, 1981 and February 10, 1981 (the ordinance adopted by the Issuer on February 10, 1981 being referred to herein as the "Bond Ordinance"), in connection with the issuance by the Issuer of the Bond pursuant to and under the provisions of I.C. 18-6-4.5-1 et seq., as amended (the "Act").

b. An executed counterpart of the Loan Agreement (the "Agreement") dated as of February 12, 1981, between the Issuer and E. David Freeman and Evelyn B. Freeman (the "Borrower").

c. An executed counterpart of the Assignment of Loan Agreement (the "Assignment") dated as of February 12, 1981 among the Issuer and American Federal Savings & Loan Association, of Fort Wayne (the "Lender").

d. Executed Bond No. R-1.

e. The opinion dated of even date herewith of John Hoffman, Attorney for the Issuer, regarding the binding effect of the Agreement, the Assignment and certain other matters, a copy of which opinion is delivered concurrently with this opinion.

f. Such other documents as we deemed relevant and necessary in rendering this opinion.

From such examination we are of the opinion that:

1. The Issuer is a municipal corporation and political subdivision of the State of Indiana. Pursuant to the Act, the Issuer is empowered to issue the Bond and to loan the proceeds thereof to the Borrower for the purpose of defraying the cost of acquiring and equipping land, a certain office building and related equipment, such property constituting the Project (as that term is defined in the Agreement) to be owned by the Borrower and to assign and pledge to the Lender the revenues and other amounts derived from the Agreement out of which the Bond is payable.

2. The Bond has been validly authorized, executed and issued in accordance with the laws of the State of Indiana now in force and represents a valid and binding limited obligation of the Issuer. The principal of, premium, if any, and interest on the Bond shall be payable solely from, and secured by an assignment and pledge of the revenues and other amounts to be received pursuant to the Agreement.

3. The Bond Ordinance has been duly authorized, adopted and executed by the Issuer.

4. The Agreement has been duly authorized, executed and delivered by the Issuer, and assuming due authorization, execution and delivery by the Borrower, represents the valid and binding agreement of the parties thereto enforceable in accordance with its terms.

5. The Assignment has been duly authorized, executed and delivered by the Issuer, and represents the valid and binding agreement of the Issuer enforceable in accordance with its terms.

6. The obligations of the parties, and the enforceability thereof, with respect to the documents described above are subject, in part, to the provisions of the United States Bankruptcy Act and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in

effect. Certain of the obligations, and the enforcement thereof, contained in the Loan Agreement and the Assignment of Loan Agreement, are also subject to general equity principles which may limit the specific enforcement of certain remedies, but which do not affect the validity of such documents.

7. Under laws, regulations, rulings and judicial decisions existing as of the date hereof, the interest on the Bond is exempt from all present federal income taxation so long as the Borrower remains within the limitations imposed by Section 103(b)(6)(D) of the Internal Revenue Code of 1954, as amended, except that such exemption does not apply with respect to interest on the Bond for any period during which the Bond is held by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 103(b)(9) of Internal Revenue Code of 1954, as amended.

We express no opinion as to the title to, or the sufficiency in the Agreement or otherwise of the description of the Project or the priority of any liens, charges or encumbrances with respect to the Project.

Very truly yours,

KR&H
DRAFT
1/19/81

February 12, 1981

E. David Freeman and Evelyn B. Freeman
3342 Mallard Cove Lane
Fort Wayne, Indiana 46804

Dear E. David Freeman and Evelyn B. Freeman:

Delivered to you herewith is an executed copy of our opinion dated the date hereof, addressed to the City of Fort Wayne, Indiana (the "Issuer") and American Federal Savings & Loan Association, of Fort Wayne (the "Lender") delivered in connection with the sale, pursuant to the Offer to Purchase, dated February 10, 1981, between the Issuer and Lender, of $66,700 principal amount of the Issuer's Industrial Development Revenue Bond (Freeman Project) Series 1981A. You are hereby authorized to rely upon our opinion as if it were addressed to you.

Very truly yours,